

# Idaho Economic Forecast

DIRK KEMPTHORNE, Governor

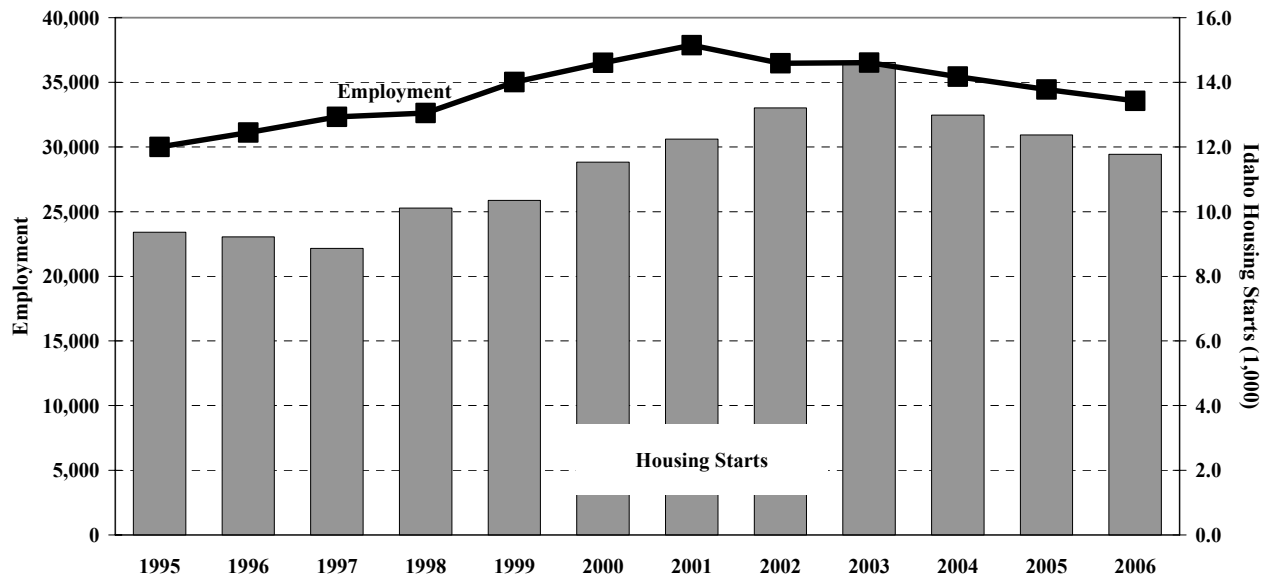
Division of Financial Management

Vol. XXV, No. 4  
October 2003

ISSN 8756-1840

- Forecast 2003-2006
- Mortgage Refinancing
- Alternative Forecasts

## Idaho Construction Employment & Housing Starts



**IDAHO  
ECONOMIC  
FORECAST  
2003 - 2006**

State of Idaho  
**DIRK KEMPTHORNE**  
Governor

*Costs associated with this publication are available  
from the Division of Financial Management  
in accordance with Section 60-202, Idaho Code.*

03-10/385/010200-180-4001

**Division of Financial Management**  
**700 W. Jefferson, Room 122**  
**P.O. Box 83720**  
**Boise, Idaho 83720-0032**

**PRSRT STD**  
**U.S. POSTAGE**  
**P A I D**  
**PERMIT NO. 1**  
**BOISE, ID**

**RETURN SERVICE REQUESTED**

## EXECUTIVE SUMMARY

The state's economic outlook has improved marginally compared to the previous forecast. In July 2003 it was reported Idaho's economic growth would accelerate over the next three years. This could be seen in two closely monitored measures: Idaho nonfarm employment and personal income. Idaho nonfarm employment was expected to increase 0.4% this year, 1.2% next year, and about 1.6% in both 2005 and 2006. In the current forecast nonfarm employment is projected to grow 0.8% in 2003, 1.3% in 2004, 1.9% in 2005, and 1.8% in 2006. Idaho nominal personal income is predicted to increase 4.2% in 2003, 5.6% in 2004, 5.0% in 2005, and 5.5% in 2006. In the previous forecast, it was expected to grow 3.5% in 2003, 5.2% in 2004, 5.2% in 2005, and 5.5% in 2006. The differences are more pronounced when income is adjusted for inflation because prices rise slower in this forecast compared to the previous one. Specifically, Idaho real personal income was forecast in July 2003 to rise 1.6% this year, 3.4% next year, 2.9% in 2005, and 3.1% in 2006. In the current forecast, Idaho real personal income increases 2.3% in 2003, 4.3% in 2004, 3.2% in 2005, and 3.7% in 2006. Idaho's economy appears on the cusp of better times. While both nonfarm employment and personal income growth will improve, they are not expected to reach the levels experienced during the height of the state's long expansion. This may seem disappointing to some, but most would welcome the state's projected economic performance during the latter forecast years to that of the previous three years.

Many economists will no doubt be tempted to boost their forecasts based on the recent stream of positive national economic news. The biggest news was payrolls expanded by 57,000 in September, ending a declining streak that began in February 2003. The recent economic news was encouraging, but economists should seriously consider whether they serve as sufficient grounds for raising previous forecasts. The September employment gain was an important milestone. However, it was just one month's data. While it could mark the beginning of a turnaround, a few more months of employment gains are what it will take to raise the comfort level, that the job-loss recovery has given way to an expanding workforce. It should also be remembered September's job gain was relatively small. This is why the unemployment rate did not budge from 6.1%. The September job gain was welcomed, but monthly gains need to be about twice as big to drive down the unemployment rate. There appears to be ample evidence the economy turned a corner this fall. However, there is less evidence that forecasts should be raised. In the current economic forecast real GDP is expected to rise 2.6% this year, 4.1% next year, 3.7% in 2005, and 3.6% in 2006. After declining slightly in 2003, U.S. nonfarm employment should increase 1.6% in 2004, 2.0% in 2005, and 1.7% in 2006. Consumer price inflation is anticipated to be 2.3% in 2003, 1.2% in 2004, and 1.8% in both 2005 and 2006.

# IDAHO ECONOMIC FORECAST

## EXECUTIVE SUMMARY

OCTOBER 2003

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>GDP (BILLIONS)</b>										
Current \$	8,318	8,782	9,274	9,825	10,082	10,446	10,882	11,468	12,086	12,729
% Ch	6.5%	5.6%	5.6%	5.9%	2.6%	3.6%	4.2%	5.4%	5.4%	5.3%
1996 Chain-Weighted	8,159	8,509	8,859	9,191	9,215	9,440	9,684	10,080	10,453	10,827
% Ch	4.4%	4.3%	4.1%	3.8%	0.3%	2.4%	2.6%	4.1%	3.7%	3.6%
<b>PERSONAL INCOME - CURR \$</b>										
Idaho (Millions)	25,227	27,066	28,902	31,177	32,363	33,585	34,986	36,942	38,803	40,942
% Ch	4.4%	7.3%	6.8%	7.9%	3.8%	3.8%	4.2%	5.6%	5.0%	5.5%
Idaho Nonfarm (Millions)	24,557	26,149	27,872	30,382	31,400	32,572	33,908	35,663	37,563	39,668
% Ch	5.4%	6.5%	6.6%	9.0%	3.3%	3.7%	4.1%	5.2%	5.3%	5.6%
U.S. (Billions)	6,937	7,426	7,786	8,407	8,685	8,922	9,225	9,708	10,222	10,782
% Ch	6.0%	7.0%	4.9%	8.0%	3.3%	2.7%	3.4%	5.2%	5.3%	5.5%
<b>PERSONAL INCOME - 1996 \$</b>										
Idaho (Millions)	24,745	26,268	27,594	29,030	29,538	30,239	30,927	32,247	33,280	34,500
% Ch	2.4%	6.2%	5.0%	5.2%	1.7%	2.4%	2.3%	4.3%	3.2%	3.7%
Idaho Nonfarm (Millions)	24,088	25,379	26,611	28,291	28,659	29,326	29,974	31,132	32,217	33,426
% Ch	3.4%	5.4%	4.9%	6.3%	1.3%	2.3%	2.2%	3.9%	3.5%	3.8%
U.S. (Billions)	6,804	7,207	7,435	7,828	7,927	8,033	8,154	8,474	8,767	9,086
% Ch	3.9%	5.9%	3.2%	5.3%	1.3%	1.3%	1.5%	3.9%	3.5%	3.6%
<b>HOUSING STARTS</b>										
Idaho	8,864	10,113	10,344	11,530	12,245	13,205	14,613	12,985	12,366	11,773
% Ch	-3.9%	14.1%	2.3%	11.5%	6.2%	7.8%	10.7%	-11.1%	-4.8%	-4.8%
U.S. (Millions)	1,475	1,621	1,647	1,573	1,601	1,711	1,738	1,643	1,604	1,608
% Ch	0.4%	9.9%	1.6%	-4.5%	1.8%	6.9%	1.6%	-5.4%	-2.4%	0.2%
<b>TOTAL NONFARM EMPLOYMENT</b>										
Idaho	507,420	520,472	538,095	558,571	568,019	568,015	572,579	579,786	590,559	601,327
% Ch	3.4%	2.6%	3.4%	3.8%	1.7%	0.0%	0.8%	1.3%	1.9%	1.8%
U.S. (Thousands)	122,767	125,924	128,994	131,790	131,830	130,376	130,055	132,127	134,741	137,057
% Ch	2.6%	2.6%	2.4%	2.2%	0.0%	-1.1%	-0.2%	1.6%	2.0%	1.7%
<b>SELECTED INTEREST RATES</b>										
Federal Funds	5.5%	5.4%	5.0%	6.2%	3.9%	1.7%	1.1%	1.1%	1.9%	2.3%
Bank Prime	8.4%	8.4%	8.0%	9.2%	6.9%	4.7%	4.1%	4.1%	4.9%	5.3%
Existing Home Mortgage	7.7%	7.1%	7.3%	8.0%	7.0%	6.5%	6.0%	6.6%	6.9%	6.9%
<b>INFLATION</b>										
GDP Price Deflator	1.9%	1.2%	1.4%	2.1%	2.4%	1.1%	1.5%	1.3%	1.6%	1.7%
Personal Cons Deflator	1.9%	1.1%	1.6%	2.5%	2.0%	1.4%	1.9%	1.3%	1.8%	1.8%
Consumer Price Index	2.3%	1.5%	2.2%	3.4%	2.8%	1.6%	2.3%	1.2%	1.8%	1.8%

# IDAHO ECONOMIC FORECAST

## EXECUTIVE SUMMARY

OCTOBER 2003

	2003				2004				2005			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GDP (BILLIONS)</b>												
Current \$	10,688	10,794	10,962	11,084	11,233	11,370	11,555	11,715	11,866	12,013	12,157	12,308
% Ch	3.8%	4.0%	6.4%	4.5%	5.5%	5.0%	6.7%	5.7%	5.3%	5.1%	4.9%	5.1%
1996 Chain-Weighted	9,552	9,626	9,734	9,826	9,928	10,015	10,137	10,238	10,325	10,410	10,493	10,585
% Ch	1.4%	3.1%	4.6%	3.8%	4.2%	3.5%	5.0%	4.1%	3.4%	3.3%	3.2%	3.6%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	34,638	34,829	35,045	35,431	36,047	36,663	37,319	37,739	38,095	38,600	39,101	39,415
% Ch	6.1%	2.2%	2.5%	4.5%	7.1%	7.0%	7.4%	4.6%	3.8%	5.4%	5.3%	3.3%
Idaho Nonfarm (Millions)	33,467	33,609	34,093	34,464	34,977	35,413	35,887	36,376	36,855	37,328	37,810	38,261
% Ch	4.6%	1.7%	5.9%	4.4%	6.1%	5.1%	5.5%	5.6%	5.4%	5.2%	5.3%	4.9%
U.S. (Billions)	9,095	9,172	9,263	9,369	9,514	9,638	9,774	9,905	10,032	10,159	10,287	10,411
% Ch	3.7%	3.5%	4.0%	4.6%	6.3%	5.3%	5.7%	5.5%	5.2%	5.2%	5.2%	4.9%
<b>PERSONAL INCOME - 1996 \$</b>												
Idaho (Millions)	30,757	30,874	30,889	31,186	31,663	32,095	32,511	32,721	32,889	33,177	33,461	33,594
% Ch	3.3%	1.5%	0.2%	3.9%	6.3%	5.6%	5.3%	2.6%	2.1%	3.6%	3.5%	1.6%
Idaho Nonfarm (Millions)	29,718	29,793	30,050	30,335	30,723	31,001	31,263	31,539	31,818	32,084	32,356	32,610
% Ch	1.9%	1.0%	3.5%	3.8%	5.2%	3.7%	3.4%	3.6%	3.6%	3.4%	3.4%	3.2%
U.S. (Billions)	8,076	8,131	8,165	8,246	8,357	8,437	8,514	8,588	8,661	8,732	8,803	8,874
% Ch	1.0%	2.8%	1.7%	4.1%	5.5%	3.9%	3.7%	3.5%	3.4%	3.3%	3.3%	3.2%
<b>HOUSING STARTS</b>												
Idaho	15,765	15,028	14,154	13,504	13,158	13,028	12,918	12,837	12,643	12,455	12,270	12,096
% Ch	-12.2%	-17.4%	-21.3%	-17.1%	-9.9%	-3.9%	-3.3%	-2.5%	-5.9%	-5.8%	-5.8%	-5.6%
U.S. (Millions)	1,737	1,739	1,784	1,692	1,656	1,650	1,637	1,630	1,618	1,604	1,598	1,597
% Ch	-1.4%	0.5%	10.7%	-19.0%	-8.3%	-1.5%	-3.1%	-1.7%	-2.8%	-3.5%	-1.7%	-0.1%
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	572,507	571,683	572,486	573,640	575,915	578,419	581,047	583,764	586,628	589,409	592,057	594,141
% Ch	0.1%	-0.6%	0.6%	0.8%	1.6%	1.8%	1.8%	1.9%	2.0%	1.9%	1.8%	1.4%
U.S. (Thousands)	130,225	129,987	129,906	130,102	130,952	131,753	132,588	133,213	133,804	134,461	135,060	135,641
% Ch	-0.3%	-0.7%	-0.3%	0.6%	2.6%	2.5%	2.6%	1.9%	1.8%	2.0%	1.8%	1.7%
<b>SELECTED INTEREST RATES</b>												
Federal Funds	1.3%	1.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.3%	1.4%	1.8%	2.0%	2.3%
Bank Prime	4.3%	4.2%	4.0%	4.0%	4.0%	4.0%	4.0%	4.3%	4.4%	4.8%	5.0%	5.3%
Existing Home Mortgage	5.9%	5.6%	6.0%	6.4%	6.5%	6.5%	6.6%	6.6%	6.7%	6.8%	6.9%	7.0%
<b>INFLATION</b>												
GDP Price Deflator	2.4%	0.8%	1.7%	0.7%	1.2%	1.4%	1.6%	1.5%	1.8%	1.7%	1.6%	1.4%
Personal Cons Deflator	2.7%	0.7%	2.3%	0.6%	0.8%	1.4%	2.0%	1.9%	1.7%	1.8%	1.8%	1.6%
Consumer Price Index	3.9%	0.6%	2.8%	0.5%	0.6%	1.2%	2.0%	1.9%	1.7%	1.8%	1.8%	1.6%

## NATIONAL FORECAST DESCRIPTION

### **The Forecast Period is the Second Quarter of 2003 through the Fourth Quarter of 2006**

Many economists will no doubt be tempted to boost their forecasts based on the recent stream of positive economic news. The current business inventory-to-sales ratio hit an all-time low of 1.36 thanks to a huge drop in inventories this August. So far, any pullbacks in the important consumer sector have been minor. September total retail sales were down a mere 0.2%, but non-auto sales actually improved 0.3%. Housing is also strong. In September annualized U.S. housing starts nearly hit 1.9 million units. Manufacturing production grew a healthy 0.7% in September because of a surge in its vehicle and parts component. Despite all of this activity, inflation remained tame. Part of the reason was the strong nonfarm business productivity growth. The biggest news was payrolls expanded by 57,000 in September, ending a declining streak that began in February 2003.

The recent economic news was encouraging, but economists should seriously consider whether they serve as sufficient grounds for raising previous forecasts. The September employment gain was an important milestone. However, it was just one month's data. While it could mark the beginning of a turnaround, a few more months of employment gains are what it will take to raise the comfort level, that the job-loss recovery has given way to an expanding workforce. It should also be remembered September's job gain was relatively small. This is why the unemployment rate did not budge from 6.1%. The September job gain was welcomed, but monthly gains need to be about twice as big to drive down the unemployment rate.

It also needs to be pointed out that what has happened recently is very close to what many economists had previously forecasted. Early last year the consensus was that after a disappointing start, the economic recovery would build steam during the second half of the year. However, before economists start high-fiving each other, they might consider the following. To paraphrase Mark Twain, "The news of the economic recovery has been greatly exaggerated."

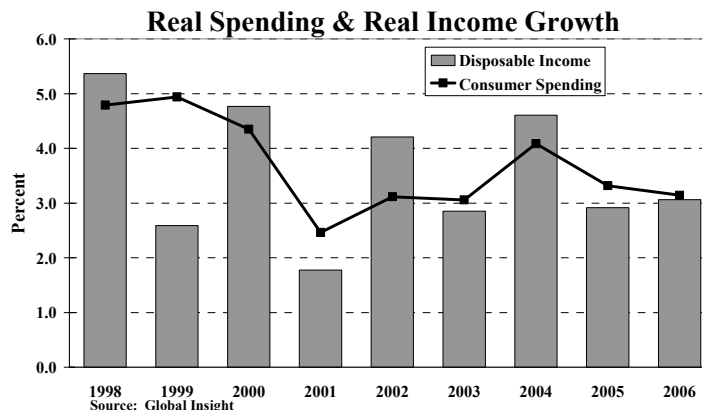
Economists have been predicting the economic turnaround for some time, only to be disappointed. They would then push back the timing of the recovery, and be disappointed again. Indeed, the so-called jobless recovery could just as well have been called the postponed recovery. It should also be noted the increase in jobs nearly missed its deadline. Economist watched with despair during the first two months of the second half of this year when employment continued shrinking despite predictions the economy would be growing. The entire profession breathed a collective sigh of relief when the September employment numbers showed a gain.

There appears to be ample evidence the economy turned a corner this fall. However, there is less evidence that forecasts should be raised significantly. In the current economic forecast real GDP is expected to rise 2.6% this year, 4.1% next year, 3.7% in 2005, and 3.6% in 2006. After declining slightly in 2003, U.S. nonfarm employment should increase 1.6% in 2004, 2.0% in 2005, and 1.7% in 2006. Consumer price inflation is anticipated to be 2.3% in 2003, 1.2% in 2004, and 1.8% in both 2005 and 2006.



## SELECTED NATIONAL ECONOMIC INDICATORS

**Consumer Spending:** One of the greatest uncertainties facing the U.S. economy is whether consumers will continue their spending spree. This is important because the consumers have kept the economy afloat over the last few years, and a sudden retreat would have negative consequences. Real consumer spending grew faster than real GDP in 11 of the 12 quarters since the second quarter of 2000. What makes this especially interesting is consumer spending continued

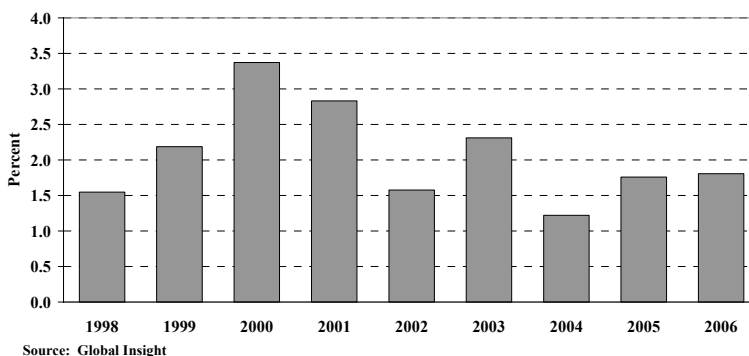


expanding during the recession, which reduced the recession's severity. In the past, the majority of recessions resulted from shrinking consumer spending, especially for large-ticket items. This is another way spending broke with tradition. Spending on durable goods thrived during the most recent ebb in the business cycle. For example, real spending on motor vehicles and parts grew in each quarter of 2001, despite that year's recession. In the last quarter (after 9/11/2001) alone, it expanded at a nearly 66% annual rate. This growth reflected attractive finance options and other incentives. These have continued in various forms since then. The value of incentives reached new highs, averaging \$5,500 per vehicle this summer. Other durable goods, such as appliances, benefited from low interest rates and the red-hot housing market. The impact of low interest rates on financed purchases is obvious, but the housing market's impact is subtle. Durable goods spending improves when the housing market is hot because new owners soon make changes to personalize their new abodes. There are a few reasons why spending on durable goods cannot continue at its breakneck pace. One has to do with demographics. For example, in the long run the housing stock's expansion is limited by new household formations. Similarly, the automobile stock should keep pace with the growth in licensed drivers. If light vehicle sales continue near current levels, the stock of vehicles would grow 1.6% over the next five years, while the driving-age population would grow just 1.1%. As was mentioned above, these are long-term threats. A much bigger concern is spending will be dampened by the large amount of debt consumers have taken on over the last few years. However, this does not seem to be a problem as of yet. This is because spending is not affected by the size of debt, but instead the ability to service it. Thanks to low interest rates, debt service appears manageable. In fact, the percent of debt service to disposable income is expected to remain under the 14% peak in 2000. Another fear is spending will be a victim of the fallout from the equity market plunge. In 2002, U.S. household net worth declined 8.7%, due solely to the nearly 23% drop in the value of equities. Fortunately, this drop was buffered by rising home values. After a tumultuous 2002, households' balance sheets are expected to stabilize and other indicators of consumers' financial health should improve. For instance, the number of personal bankruptcies should decline over the forecast period. In light of these factors, consumer spending should slow, but not stall, over the forecast period. It is projected to increase 3.1% this year, 4.1% next year, 3.3% in 2005, and 3.1% in 2006.

**Inflation:** Having weathered the recent deflation scare, attention is once again focused on inflation. The outlook calls for prices to rise modestly over the forecast period. Specifically, consumer price inflation is expected to remain below 2.5% through 2006. Inflation should be weakest next year, when it is projected to rise just 1.5%. The major reason for the benign inflation outlook is the struggling labor market. Employment costs account for a major portion of the price of final goods. Given the current and expected slack in labor markets, employees have curbed their compensation demands. Job security is more of a priority in labor negotiations. Under these conditions, employment costs are expected to

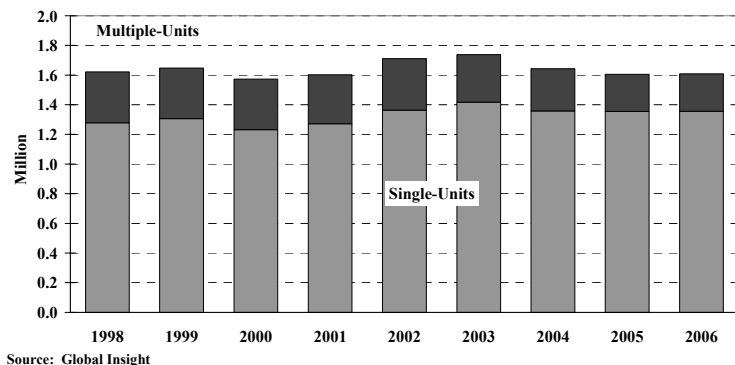
decelerate over the next few years. After growing 3.8% in 2003, it is predicted to slow to 3.4% in 2004, 3.3% in 2005, and 3.1% in 2006. Employee benefit costs are expected to outpace wage and salary costs despite the former decelerating faster than the latter. Benefit costs inflation should slow from a high of 6.1% this year to 4.0% in 2006. On the other hand, wage and salary inflation falls from 2.9% to 2.6% over this same period. It should be noted, however, while the general outlook is for low inflation, it is still vulnerable to temporary spikes caused by unforeseen events. One need not look far into the past to find examples. In fact, this year had its share of surprises. Uncertainties surrounding the War with Iraq caused consumers' energy prices to soar at a 42.9% annual rate in this year's first quarter. Late this summer consumers watched as the average price of gasoline quickly climbed to a record level. Factors contributing to this escalation include tight crude oil and gasoline supplies, temporary refinery shutdowns caused by the massive East Coast/Midwest blackout, a ruptured pipeline in Arizona, and strong gasoline demand. OPEC members agreed to cut production during their September 24, 2003 meeting in anticipation of Iraqi crude production recovering. This move was made to prevent a price decline caused by a surge in supply. It remains to be seen how this policy will play out. A major uncertainty is whether non-OPEC oil producers, such as Russia and Mexico, will voluntarily comply to restrict their production also.

**Consumer Price Inflation**



One need not look far into the past to find examples. In fact, this year had its share of surprises. Uncertainties surrounding the War with Iraq caused consumers' energy prices to soar at a 42.9% annual rate in this year's first quarter. Late this summer consumers watched as the average price of gasoline quickly climbed to a record level. Factors contributing to this escalation include tight crude oil and gasoline supplies, temporary refinery shutdowns caused by the massive East Coast/Midwest blackout, a ruptured pipeline in Arizona, and strong gasoline demand. OPEC members agreed to cut production during their September 24, 2003 meeting in anticipation of Iraqi crude production recovering. This move was made to prevent a price decline caused by a surge in supply. It remains to be seen how this policy will play out. A major uncertainty is whether non-OPEC oil producers, such as Russia and Mexico, will voluntarily comply to restrict their production also.

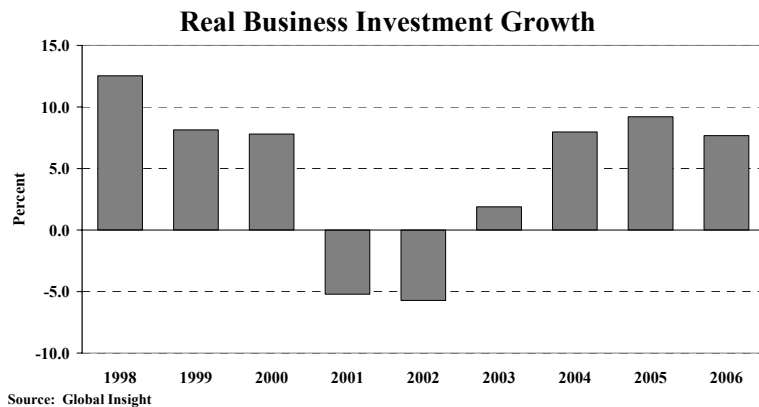
**U.S. Housing Starts**



**Housing:** Housing sector concerns have increased recently as mortgage rates bottomed out and moved upwards this summer. These concerns are well placed, as the housing sector has been a strong performer that helped mitigate the impacts of the recession. A collapse of this sector would be felt throughout the economy. The housing sectors current rise has been steady. It began soon after the end of the 1990-91 recession. Home sales improved to 4.1 million units in

1992 from 3.8 million units the previous year. Housing starts jumped 20% from 1991 to 1992. During the rest of the decade the housing sector often out performed expectations. After years of growth, both housing sales and housing starts were well above their starting levels. Both stumbled in 2000, but these setbacks were minor. Housing sales declined just 0.5% and starts dropped 4.5%. Not only were these declines small, they were also short lived. Both sales and starts were growing again in 2001. Fueling this expansion were falling mortgage rates that reflected the Federal Reserve's aggressive loosening. With mortgage interest rates apparently hitting bottom this summer, it is no wonder the fate of the housing sector is in question. Interestingly, 2003 should be another strong year for both housing sales and starts. This is because of the heavy volume of sales and starts that took place before interests nudged upwards. In addition, the rising rates induced fence sitters to purchase homes before rates rose even further. As in the past, interest rates will play a huge role in this sector's outlook. Although rates are expected to move up, they will do so gradually. For example, the rate on a 30-year mortgage on an existing home is anticipated to grow just over one percentage point from 5.5% in 2003 to 6.8% in 2006. The slow rise in interest rates reflects the benign inflation over this period. Given the expected

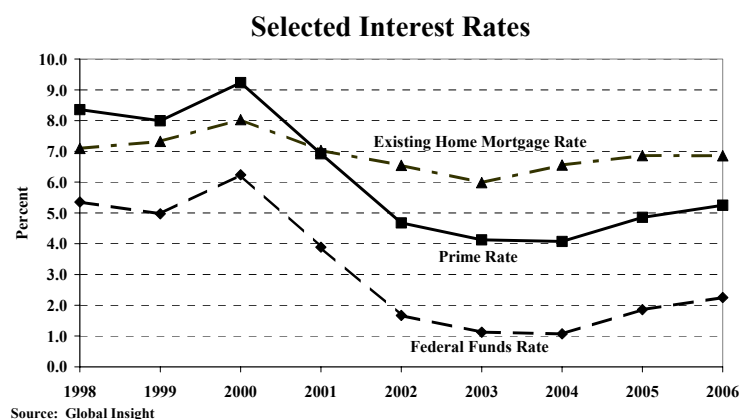
interest rate paths, the housing sector is expected to slow, but not collapse over the forecast period. Admittedly, home sales do drop over 9% and starts fall over 5% from this year to next, but these declines are from very high levels. After 2004, home sales are expected to remain in the vicinity of 6.1 to 6.2 million units per year. Housing starts should hover around 1.6 million units.



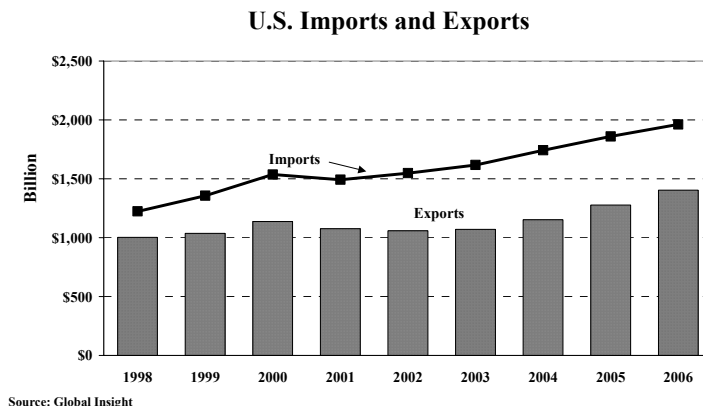
**Business Investment:** After stumbling in the first quarter, business investment on equipment and software seems to be taking the first real steps to a sustained recovery. While real investment is not expected to achieve the heady pace it enjoyed in the late 1990s and early 2000s, it should go from being a drag on the economy to once again propping it up. Fueled by Y2K worries, the Internet, and expanding telecommunications, business investment enjoyed its heyday a few years ago. Real spending on

business equipment grew at least 11% annually from 1993 to 1999, and it peaked at nearly 15% in 1998. Real spending on software showed similar strength during this period, but peaked at over 25% in 1997. These two drivers helped total fixed investment grow much faster than real GDP through 2000. Recent experience has been different. Business investment fell victim to the high-tech implosion and actually declined in both 2001 and 2002. Ironically, the recovery in business investment results from some of the factors that made it collapse. Real spending on computers jumped a whopping 57% in the second quarter of 2003. Part of this increase was because of Y2K. Spending on computers surged in 1998-99 as systems were updated to avoid potential Y2K problems. These computers are now being replaced. In addition, businesses recognize that to remain competitive they need to invest in technology to raise productivity, for which computers have a proven track record. As such, real spending on computers and information equipment should grow strongly in the near term. Specifically, it should then advance more 20% (annual rate) in four of the next five quarters. This will transform investment from being a drag on the economy to an engine of growth. That is, after growing slower than real GDP from 2001 to 2003, real business investment should expand faster than real GDP from 2004 to 2006.

**Financial:** This forecast assumes the Federal Reserve will delay raising short-term rates until next summer. This should come as no surprise given current labor conditions and the near absence of inflation. In addition, the Federal Reserve traditionally resists changing its policy during presidential elections. If these were not enough reasons to believe changes will come later than sooner, one need only ask Federal Reserve members themselves. A couple of Federal Reserve members have made it clear recently they believe the economy remains soft. This would imply they are not anxious to begin tightening anytime soon. Interestingly, not everyone agreed. Financial markets were betting the Federal Reserve would begin tightening soon after the new year started. However, this line of thinking reached a dead end late last summer. The final blow came when the August 2003 employment report showed payroll employment declined 93,000. This had dashed hopes that employment was on the mend. As a result, financial markets are now anticipating the Federal Reserve will begin tightening next spring, which is



still earlier than predicted by Global Insight. Financial markets have been wrong before trying to anticipate the timing of the central bank. This summer investors hoarded bonds in anticipation the Federal Reserve would be shopping for them in the future. When it became obvious this was not in the cards, these bonds were dumped in the market, quickly driving down their prices and driving up their yields. Since then, bond yields have stabilized. Home mortgage rates also began rising this summer after hitting their lowest levels in a generation. For example, from its nadir in the second quarter of 2003, the rate on a 30-year conventional mortgage jumped 60 basis points. Over the forecast period this rate is predicted to average 6.0% in 2003, 6.4% in 2004, 6.8% in both 2005 and 2006. The federal funds rate is assumed to be 1.1% this year, 1.1% next year, 1.9% in 2005, and 2.3% in 2006.



**International:** The U.S. is expected to lead the global economic recovery. The U.S. rebound will stimulate economic growth in the rest of the world, particularly non-Japan Asia and Oceania. These countries are well poised for a turnaround because local authorities have prepared the way with accommodative fiscal and monetary policies. In addition, the negative impacts of the SARS epidemic are quickly being reversed. Even the Eurozone and Japanese economies have shown signs of life recently.

Unfortunately, their recoveries will be limited due to their leaders' reluctance to deal with structural economic problems and institutional constraints. Since these two regions account for a huge chunk of the world economy, their slow growth will be felt. It is predicted the world economy will not reach its trend growth rate of 3.0% until the second half of next year. And it will not peak until 2005, which is nearly four years after it bottomed out in 2001. However, this slow recovery may provide an extended life to the recovery. In this forecast the global economy is anticipated to grow an average of 3.3% from 2004 to 2008. It grew 2.5% yearly from 1998 to 2002. One of the concerns is the U.S. is taking on too much as the leader of the recovery and this is creating dangerous imbalances. For example, the U.S. current account balance has now reached 5% of GDP. Many economists feel that at this level investors may be reluctant to invest in U.S. assets. So far, this deficit has been financed by capital account inflows from Asia. Asia sells goods to the U.S., and Asian central banks purchase U.S. government securities. This arrangement appears to be working, but it remains to be seen whether it holds as the U.S. current account grows as a portion of GDP.

**Employment:** The National Bureau of Economic Research declared the 2001 recession ended in November 2001. However, employment is just beginning to show signs of revival. This has proven worrisome for economists who were hoping for an employment turnaround this summer. As late as August 2003, the U.S. Department of Labor reported nonfarm jobs were still being shed. A net job gain was reported for September 2003. It has been a long wait for an employment recovery. The U.S. began shedding nonfarm jobs in the second quarter of 2001. Since then, the number of jobs has declined in all but one quarter. The manufacturing sector has had it particularly bad. It began losing jobs in the third quarter of 2000. Since then, 2.7 million manufacturing jobs have been lost. The reason economic output continued growing despite falling employment is soaring productivity. Productivity increased at an astounding 6.8% rate in the second quarter of this year and is estimated to have risen about 5% in the third quarter. The good news is that productivity usually soars just before employers start adding to their payrolls. This is because employers hesitate to bring on additional employees until they are convinced the economy is improving. The bad news is the higher productivity has raised the expectations for employers. They will expect continued increased output from workers. This nonstop

pressure to do more with less will continue to be a drag on employment. As a result, the employment situation is expected to improve slowly. The first sign of this is the long-awaited gain in employment has been delayed from this summer to the last quarter of this year. Next year promises to be the high-water mark for employment growth, with nonfarm jobs advancing over 2% per quarter. After 2004, nonfarm employment growth will slow to just below 2%. The manufacturing sector is not expected to post job gains until the second quarter of 2004, and it will grow about half as fast as total nonfarm employment. Due to the relatively soft employment picture, the U.S. unemployment rate is expected to improve gradually, from 6.1% in 2003 to 5.9% in 2006. As such, the economy is not expected to return to full employment over the forecast period.

## IDAHO FORECAST DESCRIPTION

### **The Forecast Period is the Second Quarter of 2003 through the Fourth Quarter of 2006**

The state's economic outlook has improved marginally compared to the previous forecast. In July 2003 it was reported Idaho's economic growth would accelerate over the next three years. This could be seen in two closely monitored measures: Idaho nonfarm employment and personal income. Idaho nonfarm employment was expected to increase 0.4% this year, 1.2% next year, and about 1.6% in both 2005 and 2006. In the current forecast nonfarm employment is projected to grow 0.8% in 2003, 1.3% in 2004, 1.9% in 2005, and 1.8% in 2006. The biggest improvement occurs in 2003, where nonfarm employment is predicted to grow twice as fast as was previously projected. This change is due to new data that show employment in the first quarter of 2003 was more than 3,000 higher than was estimated in July 2003.

Idaho nominal personal income is predicted to increase 4.2% in 2003, 5.6% in 2004, 5.0% in 2005, and 5.5% in 2006. In the previous forecast, it was expected to grow 3.5% in 2003, 5.2% in 2004, 5.2% in 2005, and 5.5% in 2006. The differences are more pronounced when income is adjusted for inflation because prices rise slower in this forecast compared to the previous one. Specifically, Idaho real personal income was forecast in July 2003 to rise 1.6% this year, 3.4% next year, 2.9% in 2005, and 3.1% in 2006. In the current forecast, Idaho real personal income increases 2.3% in 2003, 4.3% in 2004, 3.2% in 2005, and 3.7% in 2006.

If the current forecast holds, Idaho should be closing a chapter of protracted softness and opening a chapter of faster growth. Before putting the past behind us, it is a good idea to review it. The focus here will be on employment. Slow nonfarm employment growth was the rule during the years 2001 to 2003. As recently as 2000, Idaho was creating jobs at a healthy 3.8% pace. The 2001 recession exacted a toll on Idaho, and the state's growth slowed to half that of the previous year. However, the worst was yet to come. This occurred in 2002, when the state failed to gain jobs. Job growth is expected to pick up in 2003, but it is predicted to be less than 1%.

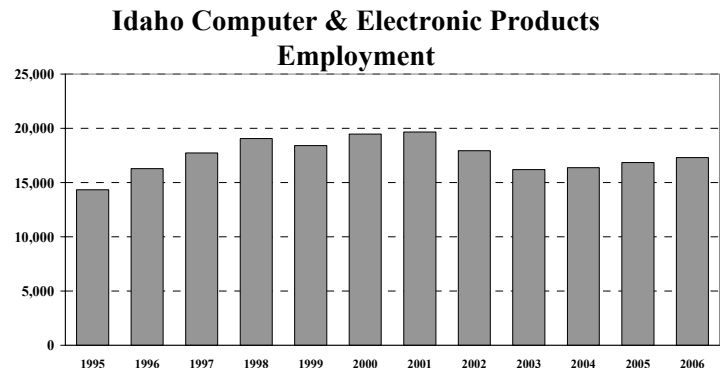
A major reason for the soft job performance was the rash of layoffs during this period. While layoffs occur every year, 2001 through 2003 seemed to have more than its fair share. Idaho's job picture was still healthy in 2000, yet about 1,200 jobs were eliminated due to layoffs. This changed dramatically the next year. In 2001, nearly 5,100 jobs were lost, as the number layoffs increased. The situation improved last year, when layoffs accounted for about 3,100 lost jobs. The numbers of jobs lost to layoffs this year is expected to rise. There have been 51 announced layoffs through August 2003. It is estimated these layoffs will cost the state around 4,500 jobs. Interestingly, Idaho total nonfarm employment should rise slightly in 2003 despite these layoffs.

Idaho's economy appears on the cusp of better times. While both nonfarm employment and personal income growth will improve, they are not expected to reach the levels experienced during the height of the state's long expansion. This may seem disappointing to some, but most would welcome the state's projected economic performance during the forecast years compared to that of the previous three years.

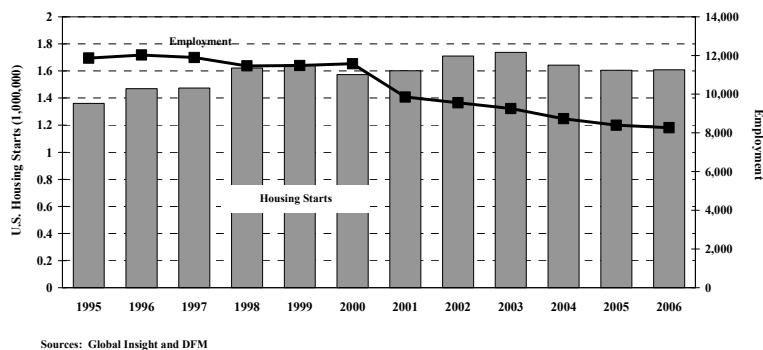
## SELECTED IDAHO ECONOMIC INDICATORS

**Computer and Electronics:** Idaho's computer and electronics sector is weathering the impacts of an industry-wide downturn. Unlike the previous recession, when Idaho's high-tech sector actually prospered, the state's largest manufacturing employer has been buffeted by the latest tempest. Interestingly, national and Idaho declines were perfectly synchronized, with both showing their first employment losses in the second quarter of 2001. Soon after the high-tech bubble burst, national

computer and electronics employment shed jobs at a 14.4% annual rate. In Idaho this sector's employment fell at a 12.5% annual rate. This was just the first in a series of quarterly declines. Before the year was out, Jabil Circuit, Micronpc.com, SCP Global Technologies, Micron MCMS, AMI, and Hewlett-Packard all had announced layoffs. As a result, this sector's employment growth slowed from 5.7% in 2000 to 1.0% in 2001. Unfortunately, the worse was yet to come. The Gem State's computer and electronics sector suffered another round of layoffs in 2002, which caused employment to decline 8.8% in that year. It is not difficult to understand how hard this sector was hit. Four of the seven Idaho companies reporting layoffs of at least 100 persons in 2002 were high-tech firms. The news is even worse when measured in jobs. These seven companies laid off 1,515 employees in 2002, with the four high-tech companies accounting for 1,104 (73%) of the total decline. That same year, Jabil Circuit announced it was halting its Idaho operations and was putting its two-year old Meridian plant up for sale. One notable exception to the list of companies with significant layoffs was Micron Technology, the state's largest high-tech employer. However, it joined the ranks of companies laying off employees in 2003. Early that year the company announced it was cutting about 1,100 jobs in Idaho. This move was part of the company's plan to reduce costs. Micron is the world's second largest manufacturer of computer memory products. Its primary competitors are Samsung, Infineon, and Hynix. Recently, the price for memory chips has been soft due to an excess supply of chips. Since Micron competes in a global market in which it has no control over prices, it must constantly find ways to lower its own costs in order to remain competitive. Prices have also been hurt by weak demand caused by the collapse in business investment. After three years of dismal conditions, it appears the outlook for this sector is improving. Investment in computer equipment and software appear poised for a recovery. Computer systems and software purchased during the last expansion are nearing the end of their usefulness. In addition, the high-productivity returns for investing in computers should boost demand. Companies wanting to make these investments will find it will be relatively easy thanks to low interest rates, attractive depreciation treatment, and improved corporate cash flow. As a result, real investment in equipment and software should rise 4.6% in 2003, 9.9% in 2004, 9.6% in 2005, and 8.1% in 2006. Unfortunately, this will not translate to a quick job recovery for Idaho's high-tech sector because of the global surplus of manufacturing capacity. Idaho computer and electronics employment is expected to drop 9.7% this year before rising 1.1% in 2004, 2.8% in 2005, and 2.7% in 2006.



Idaho Logging & Wood Products Employment and U.S. Housing Starts



### Logging and Wood Products:

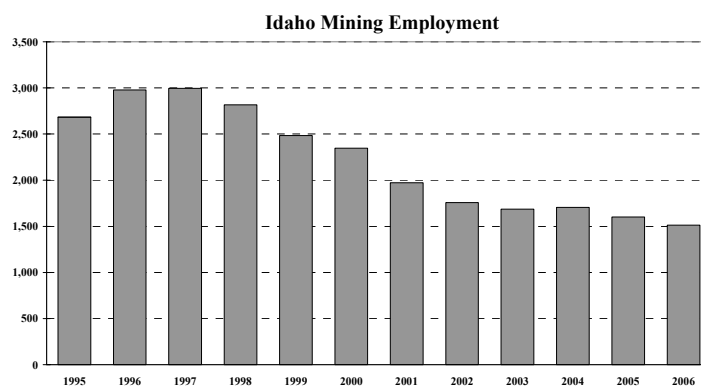
Employment in the Gem State's logging and wood products sector is expected to decline due to ongoing structural changes. This is a change from what typically happens in resource industries. In general, the fortunes of these industries ebb and flow with the business cycle. During periods of economic prosperity demand for their products is strong and these industries grow. When the economy falls on hard times, demand weakens and these

companies contract. If this were still the case, Idaho's logging and wood products sector should be doing well. Although the country suffered a recession in 2001, the housing sector has been surprisingly strong. There were 1.573 million housing units started in the U.S. in 2000. While this was a decline from the previous year, it was still at a very high level. Housing starts have grown steadily since then, and they should approach 1.750 million units this year. Despite the robust building activity during this period, the production of wood actually fell in three of the four years from 2000 to 2003. Employment also suffered. In Idaho, logging and wood products employment dropped from 11,570 in 2000 to 9,558 in 2002. Thus, employment has not benefited from the strong domestic demand. The problem is excess supply. Export markets have disappeared because of the global slowdown. The supply of wood products has flooded the hot U.S. market, keeping prices low. It has become difficult to sort out how much of the supply situation is cyclical and how much of it is structural. One structural problem is its excess manufacturing capacity. One estimate shows this industry is already geared up to produce 20% to 25% more lumber than is being consumed in North America and Canada. It is anticipated the industry will gradually regain its balance as the excess supply disappears. However, this will come from the closure of older and less-efficient mills. Another structural problem is the availability of timber from public lands. According to the U.S. Department of Agriculture, the total amount of timber harvested in Idaho fell from 1.8 million board feet in 1990 to 1.2 billion board feet in 2000, a 31% drop. These data also show that harvests from Idaho national forests fell an astounding 78% over this decade. Harvest levels are not expected to return to previous levels. These supply problems have exacted a high toll in Idaho. Approximately 125 jobs were lost when the former Boise Cascade mill in Cascade, Idaho ceased operations in 2001. About 250 jobs were lost last year when the Emmett, Idaho mill was closed. Potlatch shuttered its Jaype Mill near Pierce the previous year, a move that cost about 215 jobs. Mill closures are a region-wide phenomenon. *Random Lengths* recently reported that there were 337 sawmills, plywood plants, veneer mills, and board mills operating in Oregon, Washington, California, Idaho, and Montana, which was just over half the 663 that were in operation ten years ago. Mill closures and the resulting job losses are usually permanent. These closures have impacts well beyond each mill's gate. These operations are usually the largest employer in a community and pay high wages. Thus, the loss of these jobs has a ripple effect throughout the community. Idaho's logging and wood products employment is expected to decline from 9,259 in 2003 to 8,267 in 2006.

**Mining and Chemicals:** Both the mining and chemical sectors find themselves in the midst of challenging times. The mining sector is going through a protracted decline. The last time it had a net increase in jobs was 1997. It has experienced job losses in every year since then. Specifically, after peaking at nearly 3,000 jobs in 1997, employment fell to less than 1,800 jobs in 2002. This drop reflects a nearly 30% reduction in U.S. metal ore mining over the same period. Unfortunately, there is



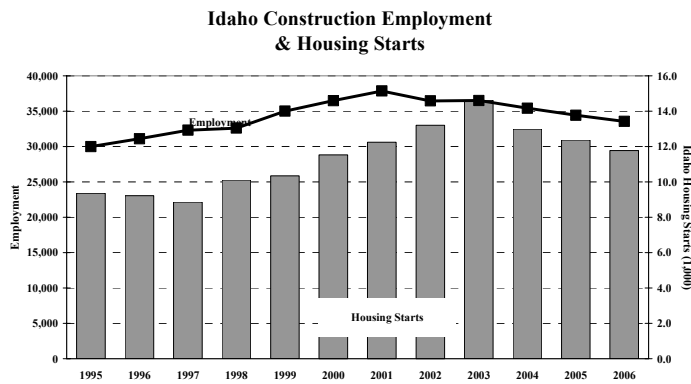
little relief in sight. The national forecast calls for another year of decline this year followed by a soft recovery. As a result, Idaho mining employment is projected to decline 4.1% this year, increase 1.2% in 2004, decrease 6.1% in 2005, and fall 5.5% in 2006. Looked at another way, mining employment goes from 1,758 jobs in 2002 to 1,512 jobs in 2006. The chemical sectors hard times may not have lasted as long as mining, but it has been severe. A short history shows this.



Although the Gem State's chemical sector had a few years with job losses, employment levels have been relatively stable over the last few years. This changed last year. Employment declined 17.2% in 2002 when 400 jobs were lost. This huge drop resulted from the closing of the Astaris (formerly FMC) elemental phosphorous plant located just outside of Pocatello. Unfortunately, the chemical sector is not expected to recover from this blow during the forecast period. After this year, agricultural chemical production is forecast to grow slowly. Idaho's chemical sector employment should post losses again in 2003 and 2004 before growing anemically in 2005 and 2006.

**Nongoods-Producing Industries:** The nongoods sector is expected to account for virtually all of the state's employment growth over the forecast period. A major component of this sector is the services industries. In Idaho last year more than four out of every ten jobs was in the services-producing sector. It has also been one of the most consistent engines for job growth. From 1991 to 2002, the number of service-producing jobs increased 63.2%. In comparison, total Idaho nonfarm employment expanded by 44.1%. The three largest services components are: professional and business services; education and health services; and leisure and hospitality services. Together they account for nearly 72% of total service-related employment in 2002. In addition, professional and business services and education and health services have posted strong, consistent growth. The next largest group consists of sectors with employment of around 20,000 each. Financial services; transportation, warehousing, and utilities; and other services make up this group. The smallest sector is information services with about 9,200 jobs. The services-producing sectors can be grouped another way, into those that are expected to grow faster than average and those that will grow slower than average. Over the forecast period Idaho services-producing employment should average 2.7% annual growth. Although only three sectors are expected to beat the average, they are major employers. Education and health services should be the fastest growing sector, averaging 3.4%. It will be followed closely by leisure and hospitality services, which advances 3.0%. The state's other large services employer, professional and business services, is forecast to grow 2.7%. Information services grow 2.2%. Financial Services employment is anticipated to average 2.5%, while other services and transportation, warehousing, and utilities are expected to average 0.8% growth. Another major component of the nongoods-producing sector is trade, which accounted for nearly two out of every ten Idaho jobs. After a slow showing this year, this sector's employment should advance 2.2% in 2004, 3.0% in 2005, and 2.5% in 2006. Overall, total employment in Idaho's nongoods-producing sector is forecast to rise 1.6% in 2003, 1.9% in 2004, 2.3% in 2005, and 2.2% in 2006.

**Construction:** In the course of just a couple years Idaho's construction sector has gone from a major engine of growth to a slight drag on the economy. As recently as 2001, construction employment expanded at a healthy 3.7% pace. However, it shrank by the same percent the very next year. This is

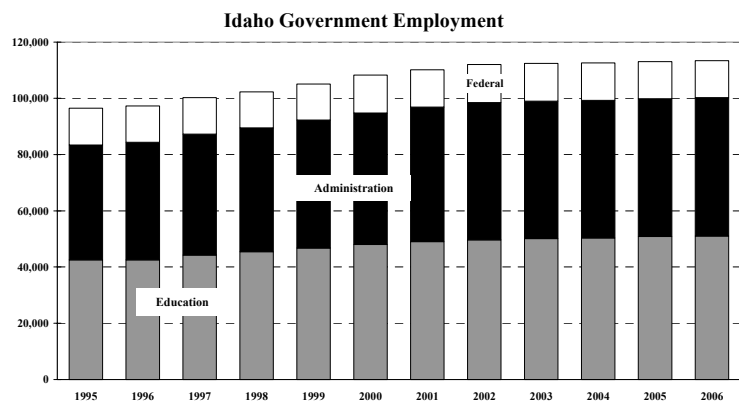


change is not trivial, as the construction sector was a major force in Idaho's long expansion. Construction employment expanded from 20,350 in 1991 to 37,860 in 2001, an 86% increase. This was nearly twice as fast as Idaho total nonfarm employment over the same period. Fueling this growth was the surge in housing starts. Historical data show Idaho housing starts climbed from 6,600 in 1991 to 13,205 in 2002. Much of this strength was due to the state's rapidly expanding population. There

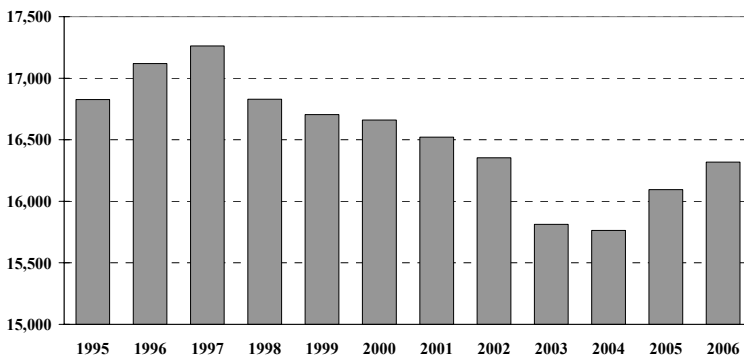
had been a dearth of building in the years leading up to the boom. When new citizens began pouring into the state, the construction industry found itself trying to keep up with demand. This has proven to be a positive. Because supply had been chasing demand for most of the expansion, there has been no significant inventory build up. As such, the housing industry did not collapse when the state's population growth began to ease. Instead, it should grow to 14,613 in 2003 thanks to low mortgage interest rates. After this year, starts should slide to the 12,000- to 13,000-units range. While this is a decrease from the previous year, it is still a historically high level. This helps to explain why Idaho's construction employment decline should be modest. Specifically, Idaho construction employment is projected to rise 0.2% in 2003 and fall 3.0% in 2004, 2.8% in 2005, and 2.6% in 2006.

**Government:** State and local government employment in Idaho should be limited over the forecast period. This benign outlook results from the anticipated cooling of population growth and imposition of budget limitations. This is a big change from the 1990s for state and local government employment. During that period, the influx of new residents strained the capacities of governments.

As a consequence, employment expanded 2.8% annually to meet the demands of the exploding population. Growth began to taper down as Idaho's population cooled with the start of the new millennium. New laws that limited the growth of local units of governments' budgets curbed growth further. As a result, Idaho state and local government employment slowed from 3.1% in 1999, to 2.7% in 2000, to 2.2% in 2001, and to 1.7% in 2002. It is expected to slow even more over the next few years. Specifically, Idaho state and local government employment should advance just 0.5% in 2003, increase 0.3% in 2004, rise 0.6% in 2005, and grow 0.4% in 2006. Federal government employment is not expected to fare as well as state and local employment. Specifically, it declines 0.6% in 2003, 1.4% in 2004, 0.6 in 2005, and 0.3% in 2006.



**Idaho Food Processing Employment**



**Food Processing:** Idaho's gigantic food processing sector is in the midst of challenging times. This cornerstone manufacturing industry is almost as large as the state's high-tech sector. Not only is it an important source of jobs, but it also adds significant value to raw Idaho farm products. Potato processors fall into this category. Currently, processors are dealing with weak demand for their products. It has been speculated the War with Iraq is to

blame for lower consumption because the uncertainty keeps people from going out to eat. Worries about the economy can also keep customers out of restaurants. Both of these are temporary. However, there is some concern some of the decreased demand will be permanent due to the spreading popularity of low-carbohydrate diets. Another fear is foreign appetites for processed potatoes may not be as deep as previously perceived. These all are cyclical concerns. There are also concerns about the structure of the industry and what share Idaho will play in its future. For example, J.R. Simplot Company recently opened its newest plant in Canada. In recent years, Canada has become a major player in the processed potato market. For example, it has been reported that the U.S. became a net importer of French fries in 2000. This trend is expected to continue through 2005 as additional Canadian capacity comes on line. Unfortunately, as more Canadian capacity comes online, it makes older, less efficient plants vulnerable to closures. This has occurred in Idaho. Simplot announced it plans to shutter its Heyburn, Idaho plant in April 2004. One Idaho sector that has enjoyed strong growth is the state's dairy and milk processing, particularly in the Magic Valley. Over the years, Idaho has seen its dairy herd expand and the capacity to process that milk increase. However, it is not immune from competition. Recently, a large milk processor announced it was expanding its operations in New Mexico instead of Idaho. One positive is Idaho's food processing industry is diversifying. Idaho is home to Grupo Modelo's first plant outside of Mexico. The company is building a \$64 million plant in Idaho Falls. The plant will have the capacity to process 100,000 metric tons of barley malt per year for the Mexican brewing company. Idaho food processing employment is forecast to dip 3.3% this year, fall 0.3% next year, expand 2.1% in 2005, and grow 1.4% in 2006.

## ALTERNATIVE FORECASTS

Global Insight has assigned a 60% probability of occurrence to its September 2003 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 2.6% in 2003, 4.1% in 2004, 3.7% in 2005, and 3.6% 2006;
- U.S. nonfarm employment declines 0.2% in 2003, but grows 1.6% in 2004, 2.0% in 2005, and 1.7% in 2006;
- U.S. civilian unemployment rate peaks at 6.2% this year and falls gradually to 5.9% by 2006;
- inflation is 2.3% in 2003, 1.2% in 2004, and 1.8% in both 2005 and 2006;
- the federal government deficit peaks at one half trillion dollars in 2004;
- and the current account balance deficit climbs to \$702 billion in 2006.

While the baseline forecast is the most probable, other outcomes are also possible. The alternative scenarios considered here diverge in opposite directions from the baseline forecast. In the first, the economy performs better than in the baseline. In the second, the economy falls short of the baseline's showing. A major factor in each scenario is the war with Iraq. Both alternatives and their impacts on the Idaho economy are discussed below.

### OPTIMISTIC SCENARIO

The *Optimistic Scenario* has been assigned a 20% probability of occurrence. This scenario reflects the effects of several major assumptions. First, foreign economic growth is anticipated to be stronger than in the baseline in 2004 and 2005. This boosts exports. Second, this forecast assumes state and local governments spend faster than in the baseline. Third, the price of oil is slightly lower than in baseline forecast. Fourth, corporate profits are higher than in the baseline, and so is the stock market.

In this scenario the economy grows 4.5% in 2004 and 4.0% in 2005, compared with 4.1% and 3.7% in the baseline. Not surprisingly, employment growth is also higher, with nonfarm employment up 628,000 in 2004 and up 923,000 in 2005. This helps the unemployment rate decline more steeply than in the baseline. Specifically, it is 5.9% in 2004, versus the baseline's 6.1%. And by 2006 the U.S. unemployment rate is near full employment at 5.5%. It is 5.9% in the baseline. Because of the stronger economic growth, monetary policy is assumed to be slightly tighter in this scenario compared with the baseline. On the other hand, fiscal policy is the same as in the baseline.

The sunnier U.S. business climate warms up Idaho economic growth, with the biggest improvements occurring next year and in 2005. This can be seen in both the employment and income numbers. As the table shows, Idaho nonfarm employment grows slightly faster than its baseline counterpart in both of these years. Both the goods- and nongoods-producing sectors are stronger than their respective baseline counterparts. It should also be noted that the expected 2.1% growth in 2005 is the first time since 2000 Idaho total nonfarm employment expands faster than 2.0%. Idaho real personal income is also bumped up in 2004 and 2005. Specifically, this closely watched measure of economic health is anticipated to rise 4.6% this year and 3.4% in 2005. In the *Baseline Scenario* Idaho real personal income increases 4.3% in 2005 and 3.2% in 2006.

**IDAHO ECONOMIC FORECAST**  
**BASELINE AND ALTERNATIVE FORECASTS**  
**OCTOBER 2003**

	BASELINE					OPTIMISTIC					PESSIMISTIC				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
<b>GDP (BILLIONS)</b>															
Current \$	10,446	10,882	11,468	12,086	12,729	10,446	10,885	11,519	12,178	12,825	10,446	10,878	11,353	11,834	12,461
% Ch	3.6%	4.2%	5.4%	5.4%	5.3%	3.6%	4.2%	5.8%	5.7%	5.3%	3.6%	4.1%	4.4%	4.2%	5.3%
1996 Chain-Weighted	9,440	9,684	10,080	10,453	10,827	9,440	9,687	10,126	10,531	10,889	9,440	9,681	9,985	10,265	10,656
% Ch	2.4%	2.6%	4.1%	3.7%	3.6%	2.4%	2.6%	4.5%	4.0%	3.4%	2.4%	2.6%	3.1%	2.8%	3.8%
<b>PERSONAL INCOME - CURR \$</b>															
Idaho (Millions)	33,585	34,986	36,942	38,803	40,942	33,585	34,990	37,047	38,998	41,157	33,585	34,983	36,698	38,090	40,063
% Ch	3.8%	4.2%	5.6%	5.0%	5.5%	3.8%	4.2%	5.9%	5.3%	5.5%	3.8%	4.2%	4.9%	3.8%	5.2%
U.S. (Billions)	8,922	9,225	9,708	10,222	10,782	8,922	9,226	9,744	10,298	10,871	8,922	9,224	9,644	10,022	10,520
% Ch	2.7%	3.4%	5.2%	5.3%	5.5%	2.7%	3.4%	5.6%	5.7%	5.6%	2.7%	3.4%	4.6%	3.9%	5.0%
<b>PERSONAL INCOME - 1996 \$</b>															
Idaho (Millions)	30,239	30,927	32,247	33,280	34,500	30,239	30,932	32,358	33,449	34,615	30,239	30,924	32,047	32,728	33,882
% Ch	2.4%	2.3%	4.3%	3.2%	3.7%	2.4%	2.3%	4.6%	3.4%	3.5%	2.4%	2.3%	3.6%	2.1%	3.5%
U.S. (Billions)	8,033	8,154	8,474	8,767	9,086	8,033	8,156	8,511	8,832	9,143	8,033	8,153	8,421	8,611	8,897
% Ch	1.3%	1.5%	3.9%	3.5%	3.6%	1.3%	1.5%	4.4%	3.8%	3.5%	1.3%	1.5%	3.3%	2.3%	3.3%
<b>TOTAL NONFARM EMPLOYMENT</b>															
Idaho	568,015	572,579	579,786	590,559	601,327	568,015	572,617	580,768	592,737	603,608	568,015	572,538	577,295	583,766	593,359
% Ch	0.0%	0.8%	1.3%	1.9%	1.8%	0.0%	0.8%	1.4%	2.1%	1.8%	0.0%	0.8%	0.8%	1.1%	1.6%
U.S. (Thousands)	130,376	130,055	132,127	134,741	137,057	130,376	130,210	132,755	135,664	137,993	130,376	130,038	131,527	133,063	135,270
% Ch	-1.1%	-0.2%	1.6%	2.0%	1.7%	-1.1%	-0.1%	2.0%	2.2%	1.7%	-1.1%	-0.3%	1.1%	1.2%	1.7%
<b>GOODS PRODUCING SECTOR</b>															
Idaho	105,025	102,167	100,573	100,347	100,412	105,025	102,189	101,024	101,229	101,159	105,025	102,138	99,055	97,265	98,221
% Ch	-4.7%	-2.7%	-1.6%	-0.2%	0.1%	-4.7%	-2.7%	-1.1%	0.2%	-0.1%	-4.7%	-2.7%	-3.0%	-1.8%	1.0%
U.S. (Thousands)	22,620	22,020	21,921	22,204	22,497	22,620	22,030	21,989	22,369	22,676	22,620	22,017	21,701	21,545	21,771
% Ch	-5.3%	-2.7%	-0.4%	1.3%	1.3%	-5.3%	-2.6%	-0.2%	1.7%	1.4%	-5.3%	-2.7%	-1.4%	-0.7%	1.0%
<b>NONGOODS PRODUCING SECTOR</b>															
Idaho	462,990	470,412	479,214	490,212	500,915	462,990	470,428	479,744	491,508	502,449	462,990	470,400	478,240	486,500	495,138
% Ch	1.1%	1.6%	1.9%	2.3%	2.2%	1.1%	1.6%	2.0%	2.5%	2.2%	1.1%	1.6%	1.7%	1.7%	1.8%
U.S. (Thousands)	107,756	108,035	110,205	112,538	114,560	107,756	108,180	110,766	113,295	115,316	107,756	108,022	109,826	111,518	113,499
% Ch	-0.2%	0.3%	2.0%	2.1%	1.8%	-0.2%	0.4%	2.4%	2.3%	1.8%	-0.2%	0.2%	1.7%	1.5%	1.8%
<b>SELECTED INTEREST RATES</b>															
Federal Funds	1.7%	1.1%	1.1%	1.9%	2.3%	1.7%	1.1%	1.1%	1.9%	2.5%	1.7%	1.1%	0.4%	0.2%	0.3%
Bank Prime	4.7%	4.1%	4.1%	4.9%	5.3%	4.7%	4.1%	4.1%	4.9%	5.5%	4.7%	4.1%	3.4%	3.3%	3.3%
Existing Home Mortgage	6.5%	6.0%	6.6%	6.9%	6.9%	6.5%	6.0%	6.5%	6.8%	6.9%	6.5%	6.0%	6.3%	6.2%	6.1%
<b>INFLATION</b>															
GDP Price Deflator	1.1%	1.5%	1.3%	1.6%	1.7%	1.1%	1.5%	1.2%	1.7%	1.8%	1.1%	1.5%	1.2%	1.4%	1.4%
Personal Cons Deflator	1.4%	1.9%	1.3%	1.8%	1.8%	1.1%	1.5%	1.2%	1.7%	1.8%	1.4%	1.9%	1.2%	1.6%	1.6%
Consumer Price Index	1.6%	2.3%	1.2%	1.8%	1.8%	1.6%	2.3%	1.2%	1.8%	2.0%	1.6%	2.3%	1.2%	1.6%	1.6%

**Forecast Begins the SECOND Quarter of 2003**

## PESSIMISTIC SCENARIO

This *Pessimistic Scenario* has also been assigned a 20% probability of occurrence. In this scenario consumers choose to save their tax windfalls instead of spending them. This move reflects consumers' concerns about the weak job market, low returns on savings, rising state taxes and fees, and life after retirement. After a brief surge in spending in 2004, real spending growth decelerates. The personal savings rate jumps from 3.6% in 2003 to 4.2% in 2004, and then it drifts down to 3.6% in 2006. In the *Baseline Scenario* the savings rate goes from 4.1% in 2004 to 3.8% in 2006. This attempt at thrift backfires. While businesses do resume hiring, the creation of new jobs lags labor force growth, causing the unemployment rate to rise and wage increases to shrink. In this slow-growth environment businesses are hesitant to invest.

The Federal Reserve lowers the federal funds rate to 0.75% in January 2004 when it recognizes fiscal policy is not doing the job of moving the economy forward. Frustrated by the effectiveness of its own policies, the Central Bank lowers rates two more time to 0.25%. By late 2005, a weakening dollar begins to amplify the effects of the Federal Reserve's expansionary monetary policy. Net exports begin to rise, generating a pickup in industrial activity, investment, and job growth. With inflation rates remaining under 2.0%, the Federal Reserve does not raise rates during the forecast period.

The Idaho economy grows slower in this scenario compared to the *Baseline Scenario*. Again, the most significant differences are in 2004 and 2005. In this scenario Idaho nonfarm employment manages just 0.8% growth in 2004 and ekes out 1.1% growth in 2005. In comparison, Idaho nonfarm employment advance 1.3% and 1.9% in the baseline. Not surprising, Idaho real personal income also grows slower than its baseline counterpart in both next year and 2005. Specifically, real personal income is forecast to rise 4.3% in 2004 and 3.2% in 2005 in the baseline. In the *Pessimistic Scenario* it increases by 3.6% in 2004 and 2.1% in 2005.

## **Mortgage Refinancing**

### **John Krainer and Milton Marquis**

One of the defining characteristics of the 2001 recession was the resilience of consumer expenditures. Many commentators have pointed to the housing market as one source of strength in consumption. This claim is usually based on two observations. First, the combination of high homeownership rates and low interest rates has allowed many households to refinance to get more favorable rates and terms on their mortgages, adding a potentially large amount to monthly disposable income. A homeowner who took out a \$150,000 mortgage at the height of the stock market boom in 2000 and refinanced in July of 2003 saved \$304 per month due to the declining cost of credit. A second, and potentially more powerful, source of strength comes directly from the increase in house prices. Mortgage lenders report that large numbers of consumers not only refinanced to lower mortgage rates, but also extracted equity from their houses by refinancing for larger amounts.

These developments in mortgage markets and mortgage refinancing are giving researchers a renewed interest in homeownership and housing wealth and their links to consumption over the business cycle. In this *Economic Letter*, we review some of the research literature on the factors affecting refinancing decisions, as well as some of the trends that have affected mortgage markets and lowered the transaction costs associated with refinancing.

### **The refinancing decision**

As with all economic decisions, the decision to refinance will depend on the costs of refinancing and the expected proceeds from doing so. On the cost side, it is important to note that the refinancing option is valuable to a borrower and, thus, must be paid for. This cost can take two forms. First, any refinancing results in the origination of a new loan, which generates a set of fees. Second, borrowers may have to pay a prepayment penalty. This cost can arise because, whenever it is advantageous for borrowers to refinance at lower interest rates, it is also disadvantageous for lenders to get their money back. Borrowers with no prepayment penalty mortgages are presumably paying for this option in the form of a higher interest rate.

The majority of the academic research by economists on mortgage refinancing has focused on understanding why and when homeowners choose to refinance. At heart, this should be a simple problem for households to solve: households should compare the present value of the reduced mortgage payments over the life of the loan to the cost of refinancing. Since the refinancing cost is fixed in the short run, households should simply wait until interest rates fall enough relative to their current rate, and then refinance. Indeed, commonly cited rules of thumb, such as "refinance

*This article originally appeared as the October 3, 2003 FRSB Economic Letter. Opinion's expressed in this article are those of the authors and do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco or the Board of Governors of the Federal Reserve System.*

every time the mortgage rate drops by 50 basis points," reflect this kind of decisionmaking. But research has shown that households often delay refinancing, even when it appears optimal to do so according to standard models (Stanton 1995). Evidently, a combination of future interest rate uncertainty (interest rates could continue to fall), uncertainty about the duration of stay in a house, and other borrower demographics are important determinants of the refinancing propensity as well.

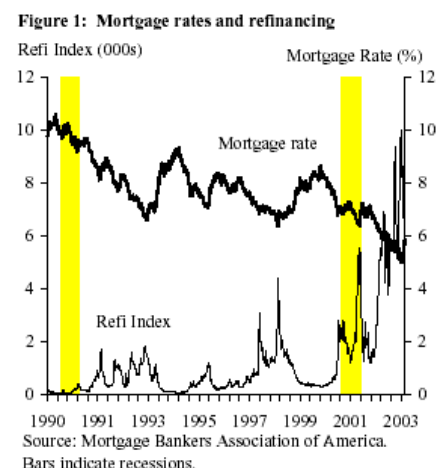
Bennett, Peach, and Peristiani (1998) study refinancing in the 1990s and document some of the empirical facts of mortgage refinancing behavior. All other things held equal, they show that households are more likely to refinance when interest rate volatility is low, home equity values are high, and creditworthiness is good. As early as the mid-1990s, they note the structural changes in refinancing behavior over time—a point which has become increasingly apparent in the present day.

Another strand of the literature has examined the role of house value in a household's wealth portfolio and how savings and consumption are affected by this wealth. This is a relatively new area of research in finance and macroeconomics that is receiving increasingly more attention given the sheer size of housing in the portfolio. A house typically accounts for one-third of total household wealth and nearly 70% of U.S. households own their homes. When the head of the household is over 50 years old (i.e., households with the largest wealth), the homeownership rate is over 80%. Krainer and Marquis (2003) model the mortgage contract in a dynamic setting and trace out the implications of house price increases and interest rate cuts on consumption through this channel. They show that the amount of mortgage refinancing will depend not just on recent interest rate changes or levels, but also on the whole history of interest rate changes and levels. Refinancing activity also will depend on the history of house prices. Refinancing will be tempered when housing demand is weak (defined as a low rent, or low housing service flow value), even if interest rates are falling.

Hurst and Stafford (2002) use data from the Panel Study of Income Dynamics to investigate how households use their housing wealth to smooth their consumption. In particular, they show that housing wealth can act as a hedge against adverse economic shocks. In the early 1990s, financially constrained households suffering unemployment spells were 25% more likely to refinance than less constrained households. The authors estimate that refinancing households spent two-thirds of every dollar extracted from refinancing.

## Recent trends in mortgage refinancing

The evidence on mortgage refinancing activity shows that the incentive to refinance varies over time and has been especially strong in recent years. Figure 1 plots the Mortgage Bankers Association Refinance Index against the 30-year fixed rate mortgage from Freddie Mac's weekly survey. Changes in the refinance index represent percentage changes in mortgage refinancing applications from the previous month. A number of features quickly emerge from the data. First, increases in the index are

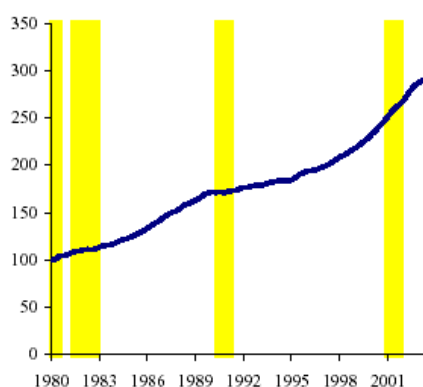




sharply concentrated around local low points in the interest rate series. For example, at the end of 1991, a brief downward spike was accompanied by a similar increase in the Refi Index. Also apparent in the data is the short-lived nature of changes in the refinancing index. Once interest rates dip to a point where refinancing is profitable, households appear to refinance quite quickly. When rates rise after hitting a low point, as they did in late 1998, refinancing completely dries up.

The most obvious feature of Figure 1 is the enormous volume of refinancing throughout 2000-2002—a period overlapping with the most recent recession. The differences in refinancing activity during this episode and the previous recession help to illustrate some, but not all, of the factors affecting the propensity to refinance cited earlier. It is clear that falling interest rates alone will not necessarily trigger a boom in refinancing. Indeed, in the early 1990s, interest rates fell by approximately the same amount as they did between 2000:Q2 and the present day (approximately 4 percentage points). But in the early 1990s, there was nothing like the current wave of refinancing. One clear difference between the two periods is that house prices remained flat during the 1990 recession, while they appreciated strongly in 2000-2002 even as economic activity has slowed (see Figure 2), making it possible for households to extract built-up equity (see Matthey and Wallace 1998 for evidence on the importance of house prices in mortgage prepayment models, more generally).

Figure 2: U.S. house price index



Source: Office of Federal Housing Enterprise Oversight.  
Bars indicate recessions.

But even taking into account the traditional determinants of households' propensity to refinance, the figure suggests that something else has happened to increase the rate of refinancing. This may be due to technological change on the cost side. Credit scoring models have reduced the time it takes to determine whether borrowers qualify for loans, enabling them to take advantage of interest rate moves more quickly. Other improvements in information processing have chipped away at the fees associated with originating the new loan. For instance, some mortgage lenders will waive the appraisal fee for existing customers on straight rate and term refinancings. Finally, the improved search capabilities brought by the Internet have increased competition. The ability of consumers to compare refinancing costs has never been better.

Quantifying the extent of mortgage refinancing and the uses of cash-outs is difficult due to the limited amount of information on what households have done with their gains from refinancing. An important glimpse at the economic impact of refinancing can be found in research by Canner, Dynan, and Passmore (2002). Using survey data, the authors estimate that U.S. homeowners saved an annual \$4.7 billion in mortgage payments (net of increases in loan principal) through refinancing and \$131 billion in cash-out refinancing in 2001 and early 2002. The majority of the funds raised through cash-outs was used for home improvements, consumption expenditures, and the restructuring of existing household debt. The authors estimate that cash-out refinancing could have added as much as one-half percent to aggregate personal consumption expenditures in 2001.

Of course, the wave of cash-out refinancing has resulted in many households increasing their debt levels. In the October 2002 Senior Loan Officer Survey, which covers approximately 60 domestic and foreign banks, one-half of the respondents reported that between 20% and 40% of their customers refinanced for more than the outstanding principal. The majority of banks reported that the typical increase in principal was in the 5%-15% range.

## **Conclusion**

The current refinancing boom is interesting because it appears to represent a structural change in the economy. If technological change has caused refinancing to become cheaper, then two important implications follow. First, houses must have become more valuable assets, for now they are more easily pledged as collateral. Second, adverse economic shocks to household wealth now could be easier to absorb since home equity can more easily be tapped in order to smooth consumption.

# **IDAHO ECONOMIC FORECAST**

**OCTOBER 2003**

## **FORECAST DETAIL**

Annual Forecast 1991-2006 ..... Page 28

Quarterly Forecast 2001-2006..... Page 42

### **Reporting Conventions**

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

### **Data Sources**

National forecast data are provided by Global Insight and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2003**

**DEMOGRAPHICS**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>POPULATION</b>								
Idaho (Thousands)	1,041.2	1,072.1	1,108.6	1,144.9	1,177.0	1,203.2	1,228.4	1,252.3
% Ch	2.8%	3.0%	3.4%	3.3%	2.8%	2.2%	2.1%	1.9%
National (Millions)	253.917	257.308	260.638	263.819	266.942	270.078	273.307	276.508
% Ch	1.3%	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%
<b>BIRTHS</b>								
Idaho (Thousands)	16.741	17.197	17.575	17.690	17.915	18.482	18.599	19.188
% Ch	1.9%	2.7%	2.2%	0.7%	1.3%	3.2%	0.6%	3.2%
National (Thousands)	4,110	4,038	3,997	3,964	3,935	3,911	3,892	3,880
% Ch	-1.2%	-1.8%	-1.0%	-0.8%	-0.7%	-0.6%	-0.5%	-0.3%
<b>DEATHS</b>								
Idaho (Thousands)	7.644	7.887	8.277	8.478	8.553	8.679	8.953	9.105
% Ch	3.9%	3.2%	4.9%	2.4%	0.9%	1.5%	3.2%	1.7%
National (Thousands)	2,163	2,210	2,237	2,264	2,291	2,318	2,345	2,372
% Ch	0.0%	2.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
<b>NET MIGRATION</b>								
Idaho (Thousands)	19.017	21.659	27.168	27.115	22.652	16.417	15.583	13.836
<b>HOUSING</b>								
<b>HOUSING STARTS</b>								
Idaho	6,600	9,584	11,457	12,766	9,361	9,220	8,864	10,113
% Ch	13.2%	45.2%	19.5%	11.4%	-26.7%	-1.5%	-3.9%	14.1%
National (Millions)	1.009	1.201	1.292	1.446	1.361	1.469	1.475	1.621
% Ch	-16.2%	19.1%	7.5%	12.0%	-5.9%	7.9%	0.4%	9.9%
<b>SINGLE UNITS</b>								
Idaho	5,662	7,900	8,939	9,420	7,281	7,849	7,658	9,042
% Ch	18.3%	39.5%	13.1%	5.4%	-22.7%	7.8%	-2.4%	18.1%
National (Millions)	0.835	1.032	1.131	1.191	1.082	1.154	1.136	1.278
% Ch	-7.3%	23.6%	9.6%	5.4%	-9.2%	6.7%	-1.6%	12.4%
<b>MULTIPLE UNITS</b>								
Idaho	938	1,684	2,518	3,346	2,080	1,371	1,205	1,070
% Ch	-10.3%	79.6%	49.5%	32.9%	-37.8%	-34.1%	-12.1%	-11.2%
National (Millions)	0.174	0.170	0.161	0.255	0.279	0.314	0.338	0.344
% Ch	-42.6%	-2.4%	-5.1%	58.3%	9.4%	12.7%	7.6%	1.6%
<b>HOUSING STOCK</b>								
Idaho (Thousands)	339.8	347.4	356.9	368.7	377.8	386.2	393.7	402.3
% Ch	1.5%	2.2%	2.7%	3.3%	2.4%	2.2%	1.9%	2.2%

**IDAHO ECONOMIC FORECAST**  
**ANNUAL DETAIL**  
**OCTOBER 2003**

**DEMOGRAPHICS**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>POPULATION</b>								
Idaho (Thousands)	1,275.7	1,299.1	1,320.7	1,341.0	1,354.1	1,367.8	1,381.5	1,395.2
% Ch	1.9%	1.8%	1.7%	1.5%	1.0%	1.0%	1.0%	1.0%
National (Millions)	279.682	282.825	285.921	288.928	291.683	294.238	296.760	299.271
% Ch	1.1%	1.1%	1.1%	1.1%	1.0%	0.9%	0.9%	0.8%
<b>BIRTHS</b>								
Idaho (Thousands)	19.897	20.304	20.684	20.116	20.179	20.323	20.471	20.628
% Ch	3.7%	2.0%	1.9%	-2.7%	0.3%	0.7%	0.7%	0.8%
National (Thousands)	3,874	3,872	3,876	3,885	3,901	3,925	3,955	3,991
% Ch	-0.2%	-0.1%	0.1%	0.2%	0.4%	0.6%	0.8%	0.9%
<b>DEATHS</b>								
Idaho (Thousands)	9.488	9.538	9.811	9.837	9.949	10.064	10.179	10.294
% Ch	4.2%	0.5%	2.9%	0.3%	1.1%	1.2%	1.1%	1.1%
National (Thousands)	2,399	2,424	2,446	2,467	2,487	2,507	2,528	2,548
% Ch	1.1%	1.0%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%
<b>NET MIGRATION</b>								
Idaho (Thousands)	12.975	12.658	10.645	10.085	2.871	3.427	3.394	3.353
<b>HOUSING</b>								
<b>HOUSING STARTS</b>								
Idaho	10,344	11,530	12,245	13,205	14,613	12,985	12,366	11,773
% Ch	2.3%	11.5%	6.2%	7.8%	10.7%	-11.1%	-4.8%	-4.8%
National (Millions)	1.647	1.573	1.601	1.711	1.738	1.643	1.604	1.608
% Ch	1.6%	-4.5%	1.8%	6.9%	1.6%	-5.4%	-2.4%	0.2%
<b>SINGLE UNITS</b>								
Idaho	9,193	10,384	10,436	11,173	12,016	11,134	10,871	10,608
% Ch	1.7%	13.0%	0.5%	7.1%	7.5%	-7.3%	-2.4%	-2.4%
National (Millions)	1.306	1.232	1.272	1.364	1.417	1.357	1.355	1.356
% Ch	2.2%	-5.7%	3.2%	7.2%	3.9%	-4.2%	-0.2%	0.1%
<b>MULTIPLE UNITS</b>								
Idaho	1,151	1,146	1,809	2,032	2,597	1,851	1,495	1,165
% Ch	7.5%	-0.4%	57.9%	12.3%	27.8%	-28.7%	-19.2%	-22.1%
National (Millions)	0.341	0.341	0.330	0.347	0.321	0.286	0.250	0.252
% Ch	-0.7%	0.1%	-3.5%	5.4%	-7.6%	-10.9%	-12.7%	1.1%
<b>HOUSING STOCK</b>								
Idaho (Thousands)	411.3	421.2	432.1	442.9	456.4	468.4	479.6	490.1
% Ch	2.2%	2.4%	2.6%	2.5%	3.0%	2.6%	2.4%	2.2%

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**OUTPUT, INCOME, & WAGES**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>GROSS DOM. PRODUCT (Billions)</b>								
Current Dollars	5,986	6,319	6,642	7,054	7,401	7,813	8,318	8,782
% Ch	3.2%	5.6%	5.1%	6.2%	4.9%	5.6%	6.5%	5.6%
1996 Chain-Weighted	6,676	6,880	7,063	7,348	7,544	7,813	8,159	8,509
% Ch	-0.5%	3.1%	2.7%	4.0%	2.7%	3.6%	4.4%	4.3%
 <b>PERSONAL INCOME - CURR \$</b>								
Idaho (Millions)	16,825	18,382	20,105	21,399	22,869	24,174	25,227	27,066
% Ch	4.8%	9.3%	9.4%	6.4%	6.9%	5.7%	4.4%	7.3%
Idaho Nonfarm (Millions)	16,026	17,581	19,040	20,706	22,073	23,298	24,557	26,149
% Ch	6.3%	9.7%	8.3%	8.7%	6.6%	5.6%	5.4%	6.5%
National (Billions)	5,085	5,390	5,610	5,888	6,201	6,547	6,937	7,426
% Ch	3.7%	6.0%	4.1%	5.0%	5.3%	5.6%	6.0%	7.0%
 <b>PERSONAL INCOME - 1996 \$</b>								
Idaho (Millions)	18,923	20,061	21,431	22,357	23,359	24,172	24,745	26,268
% Ch	0.9%	6.0%	6.8%	4.3%	4.5%	3.5%	2.4%	6.2%
Idaho Nonfarm (Millions)	18,024	19,187	20,296	21,632	22,545	23,297	24,088	25,379
% Ch	2.4%	6.5%	5.8%	6.6%	4.2%	3.3%	3.4%	5.4%
National (Billions)	5,720	5,883	5,980	6,152	6,334	6,547	6,804	7,207
% Ch	-0.1%	2.9%	1.7%	2.9%	3.0%	3.4%	3.9%	5.9%
 <b>PER CAPITA PERS INC - CURR \$</b>								
Idaho	16,159	17,144	18,133	18,688	19,430	20,091	20,535	21,611
% Ch	2.0%	6.1%	5.8%	3.1%	4.0%	3.4%	2.2%	5.2%
National	20,027	20,948	21,523	22,317	23,229	24,242	25,381	26,855
% Ch	2.3%	4.6%	2.7%	3.7%	4.1%	4.4%	4.7%	5.8%
 <b>PER CAPITA PERS INC - 1996 \$</b>								
Idaho	18,174	18,710	19,330	19,526	19,846	20,090	20,143	20,975
% Ch	-1.8%	2.9%	3.3%	1.0%	1.6%	1.2%	0.3%	4.1%
National	22,525	22,862	22,943	23,318	23,727	24,241	24,896	26,064
% Ch	-1.4%	1.5%	0.4%	1.6%	1.8%	2.2%	2.7%	4.7%
 <b>AVERAGE ANNUAL WAGE</b>								
Idaho	20,764	21,640	22,075	22,770	23,636	24,192	24,876	25,879
% Ch	N/C	4.2%	2.0%	3.1%	3.8%	2.4%	2.8%	4.0%
National	26,058	27,431	27,829	28,319	29,193	30,294	31,674	33,294
% Ch	3.6%	5.3%	1.5%	1.8%	3.1%	3.8%	4.6%	5.1%

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**OUTPUT, INCOME, & WAGES**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>GROSS DOM. PRODUCT (Billions)</b>								
Current Dollars	9,274	9,825	10,082	10,446	10,882	11,468	12,086	12,729
% Ch	5.6%	5.9%	2.6%	3.6%	4.2%	5.4%	5.4%	5.3%
1996 Chain-Weighted	8,859	9,191	9,215	9,440	9,684	10,080	10,453	10,827
% Ch	4.1%	3.8%	0.3%	2.4%	2.6%	4.1%	3.7%	3.6%
 <b>PERSONAL INCOME - CURR \$</b>								
Idaho (Millions)	28,902	31,177	32,363	33,585	34,986	36,942	38,803	40,942
% Ch	6.8%	7.9%	3.8%	3.8%	4.2%	5.6%	5.0%	5.5%
Idaho Nonfarm (Millions)	27,872	30,382	31,400	32,572	33,908	35,663	37,563	39,668
% Ch	6.6%	9.0%	3.3%	3.7%	4.1%	5.2%	5.3%	5.6%
National (Billions)	7,786	8,407	8,685	8,922	9,225	9,708	10,222	10,782
% Ch	4.9%	8.0%	3.3%	2.7%	3.4%	5.2%	5.3%	5.5%
 <b>PERSONAL INCOME - 1996 \$</b>								
Idaho (Millions)	27,594	29,030	29,538	30,239	30,927	32,247	33,280	34,500
% Ch	5.0%	5.2%	1.7%	2.4%	2.3%	4.3%	3.2%	3.7%
Idaho Nonfarm (Millions)	26,611	28,291	28,659	29,326	29,974	31,132	32,217	33,426
% Ch	4.9%	6.3%	1.3%	2.3%	2.2%	3.9%	3.5%	3.8%
National (Billions)	7,435	7,828	7,927	8,033	8,154	8,474	8,767	9,086
% Ch	3.2%	5.3%	1.3%	1.3%	1.5%	3.9%	3.5%	3.6%
 <b>PER CAPITA PERS INC - CURR \$</b>								
Idaho	22,654	23,997	24,505	25,044	25,836	27,007	28,087	29,345
% Ch	4.8%	5.9%	2.1%	2.2%	3.2%	4.5%	4.0%	4.5%
National	27,840	29,722	30,377	30,880	31,625	32,992	34,446	36,027
% Ch	3.7%	6.8%	2.2%	1.7%	2.4%	4.3%	4.4%	4.6%
 <b>PER CAPITA PERS INC - 1996 \$</b>								
Idaho	21,630	22,346	22,366	22,549	22,839	23,575	24,090	24,728
% Ch	3.1%	3.3%	0.1%	0.8%	1.3%	3.2%	2.2%	2.6%
National	26,582	27,676	27,726	27,804	27,956	28,800	29,544	30,359
% Ch	2.0%	4.1%	0.2%	0.3%	0.5%	3.0%	2.6%	2.8%
 <b>AVERAGE ANNUAL WAGE</b>								
Idaho	27,011	28,688	28,687	29,041	29,680	30,697	31,840	33,032
% Ch	4.4%	6.2%	0.0%	1.2%	2.2%	3.4%	3.7%	3.7%
National	34,654	36,696	37,553	38,323	39,358	40,678	42,197	43,719
% Ch	4.1%	5.9%	2.3%	2.0%	2.7%	3.4%	3.7%	3.6%

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**PERSONAL INCOME--CURRENT \$\$**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>WAGE AND SALARY PAYMENTS</b>								
Idaho (Millions)	8,533	9,307	9,991	10,916	11,725	12,316	13,109	13,973
% Ch	7.1%	9.1%	7.3%	9.3%	7.4%	5.0%	6.4%	6.6%
National (Billions)	2,824	2,983	3,085	3,237	3,425	3,626	3,889	4,193
% Ch	2.5%	5.6%	3.4%	4.9%	5.8%	5.9%	7.2%	7.8%
<b>FARM PROPRIETORS INCOME</b>								
Idaho (Millions)	601	603	839	410	496	585	344	580
% Ch	-22.1%	0.3%	39.3%	-51.2%	21.1%	17.9%	-41.1%	68.5%
National (Billions)	26	33	30	32	22	34	30	26
% Ch	-15.3%	23.9%	-7.8%	6.0%	-30.5%	54.4%	-13.3%	-13.9%
<b>NONFARM PROPRIETORS INCOME</b>								
Idaho (Millions)	1,515	1,833	2,139	2,342	2,264	2,337	2,408	2,602
% Ch	-3.1%	21.0%	16.7%	9.5%	-3.3%	3.2%	3.0%	8.1%
National (Billions)	358	402	432	445	476	510	551	598
% Ch	2.3%	12.3%	7.5%	3.0%	6.9%	7.4%	8.0%	8.5%
<b>DIVIDENDS, RENT &amp; INTEREST</b>								
Idaho (Millions)	3,254	3,367	3,554	3,925	4,377	4,650	5,044	5,470
% Ch	4.3%	3.5%	5.6%	10.4%	11.5%	6.2%	8.5%	8.4%
National (Billions)	1,006	999	1,019	1,087	1,164	1,238	1,327	1,451
% Ch	2.0%	-0.8%	2.1%	6.7%	7.1%	6.3%	7.2%	9.4%
<b>OTHER LABOR INCOME</b>								
Idaho (Millions)	1,265	1,415	1,591	1,725	1,714	1,728	1,681	1,726
% Ch	10.7%	11.8%	12.5%	8.4%	-0.6%	0.8%	-2.7%	2.6%
National (Billions)	416	450	483	507	497	490	475	491
% Ch	6.6%	8.2%	7.4%	5.1%	-2.1%	-1.4%	-3.0%	3.2%
<b>GOVT. TRANSFERS TO INDIV.</b>								
Idaho (Millions)	2,192	2,442	2,626	2,777	3,012	3,285	3,394	3,499
% Ch	11.2%	11.4%	7.5%	5.8%	8.5%	9.1%	3.3%	3.1%
National (Billions)	670	752	799	834	886	929	962	984
% Ch	12.7%	12.2%	6.2%	4.4%	6.2%	4.8%	3.6%	2.2%
<b>CONTRIB. FOR SOCIAL INSUR.</b>								
Idaho (Millions)	704	756	817	900	949	987	1,045	1,102
% Ch	9.8%	7.5%	8.0%	10.2%	5.5%	4.0%	5.8%	5.5%
National (Billions)	215	227	238	254	269	280	298	316
% Ch	5.6%	5.3%	5.0%	6.8%	5.8%	4.3%	6.2%	6.2%
<b>RESIDENCE ADJUSTMENT</b>								
Idaho (Millions)	169	173	183	204	230	260	292	321
% Ch	9.2%	2.8%	5.3%	11.8%	12.9%	12.9%	12.3%	10.0%



**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**PERSONAL INCOME--CURRENT \$\$**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>WAGE AND SALARY PAYMENTS</b>								
Idaho (Millions)	15,040	16,562	16,855	17,099	17,633	18,460	19,474	20,544
% Ch	7.6%	10.1%	1.8%	1.4%	3.1%	4.7%	5.5%	5.5%
National (Billions)	4,470	4,836	4,951	4,996	5,119	5,375	5,686	5,992
% Ch	6.6%	8.2%	2.4%	0.9%	2.4%	5.0%	5.8%	5.4%
<b>FARM PROPRIETORS INCOME</b>								
Idaho (Millions)	699	432	587	611	669	869	828	861
% Ch	20.5%	-38.2%	35.9%	4.0%	9.6%	29.8%	-4.7%	4.0%
National (Billions)	28	23	19	13	15	21	26	28
% Ch	8.4%	-18.7%	-15.5%	-32.3%	18.4%	40.4%	22.4%	5.5%
<b>NONFARM PROPRIETORS INCOME</b>								
Idaho (Millions)	3,040	3,256	3,334	3,537	3,816	4,115	4,374	4,610
% Ch	16.8%	7.1%	2.4%	6.1%	7.9%	7.8%	6.3%	5.4%
National (Billions)	651	692	709	744	800	862	913	959
% Ch	8.8%	6.4%	2.4%	4.9%	7.6%	7.8%	5.9%	5.0%
<b>DIVIDENDS, RENT &amp; INTEREST</b>								
Idaho (Millions)	5,468	5,891	6,102	6,198	6,274	6,564	6,918	7,277
% Ch	0.0%	7.7%	3.6%	1.6%	1.2%	4.6%	5.4%	5.2%
National (Billions)	1,446	1,599	1,638	1,655	1,669	1,738	1,819	1,913
% Ch	-0.3%	10.6%	2.4%	1.0%	0.9%	4.1%	4.7%	5.2%
<b>OTHER LABOR INCOME</b>								
Idaho (Millions)	1,800	1,940	1,996	2,149	2,273	2,411	2,613	2,805
% Ch	4.3%	7.8%	2.9%	7.7%	5.8%	6.1%	8.4%	7.3%
National (Billions)	510	544	570	611	648	686	742	796
% Ch	4.0%	6.7%	4.8%	7.1%	6.2%	5.8%	8.2%	7.2%
<b>GOVT. TRANSFERS TO INDIV.</b>								
Idaho (Millions)	3,680	3,938	4,383	4,890	5,258	5,509	5,650	5,970
% Ch	5.2%	7.0%	11.3%	11.6%	7.5%	4.8%	2.5%	5.7%
National (Billions)	1,018	1,070	1,170	1,288	1,370	1,440	1,473	1,554
% Ch	3.5%	5.1%	9.4%	10.0%	6.3%	5.1%	2.3%	5.5%
<b>CONTRIB. FOR SOCIAL INSUR.</b>								
Idaho (Millions)	1,182	1,275	1,320	1,375	1,425	1,489	1,573	1,664
% Ch	7.2%	7.9%	3.5%	4.2%	3.6%	4.4%	5.7%	5.8%
National (Billions)	337	358	372	384	396	414	437	460
% Ch	6.7%	6.2%	3.9%	3.2%	3.2%	4.6%	5.5%	5.3%
<b>RESIDENCE ADJUSTMENT</b>								
Idaho (Millions)	356	433	425	476	489	502	519	539
% Ch	10.7%	21.7%	-1.7%	11.8%	2.7%	2.7%	3.5%	3.7%

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>TOTAL NONFARM EMPLOYMENT</b>								
Idaho	394,129	413,478	434,503	460,212	477,048	490,900	507,420	520,472
% Ch	N/C	4.9%	5.1%	5.9%	3.7%	2.9%	3.4%	2.6%
National (Thousands)	108,384	108,723	110,847	114,282	117,306	119,699	122,767	125,924
% Ch	-1.0%	0.3%	2.0%	3.1%	2.6%	2.0%	2.6%	2.6%
<b>GOODS PRODUCING SECTOR</b>								
Idaho	80,857	85,009	90,364	97,412	98,311	102,400	105,503	106,970
% Ch	N/C	5.1%	6.3%	7.8%	0.9%	4.2%	3.0%	1.4%
National (Thousands)	22,591	22,094	22,221	22,777	23,161	23,412	23,884	24,352
% Ch	-4.8%	-2.2%	0.6%	2.5%	1.7%	1.1%	2.0%	2.0%
<b>MANUFACTURING</b>								
Idaho	57,408	59,920	63,132	65,718	65,640	68,312	70,184	71,527
% Ch	N/C	4.4%	5.4%	4.1%	-0.1%	4.1%	2.7%	1.9%
National (Thousands)	17,146	16,879	16,857	17,106	17,327	17,317	17,500	17,640
% Ch	-3.6%	-1.6%	-0.1%	1.5%	1.3%	-0.1%	1.1%	0.8%
<b>DURABLE MANUFACTURING</b>								
Idaho	30,153	32,118	34,786	37,822	39,958	42,447	44,215	45,892
% Ch	N/C	6.5%	8.3%	8.7%	5.6%	6.2%	4.2%	3.8%
National (Thousands)	10,298	10,025	9,983	10,214	10,456	10,565	10,785	10,990
% Ch	-4.8%	-2.6%	-0.4%	2.3%	2.4%	1.0%	2.1%	1.9%
<b>LOGGING &amp; WOOD PRODUCTS</b>								
Idaho	9,760	10,460	10,796	11,774	11,864	12,023	11,897	11,464
% Ch	N/C	7.2%	3.2%	9.1%	0.8%	1.3%	-1.0%	-3.8%
National (Thousands)	577	580	605	643	656	663	677	689
% Ch	-7.7%	0.6%	4.3%	6.2%	2.0%	1.1%	2.1%	1.7%
<b>METAL FABRICATION</b>								
Idaho	2,460	2,436	2,577	2,958	3,410	3,582	3,793	3,826
% Ch	N/C	-1.0%	5.8%	14.8%	15.3%	5.0%	5.9%	0.9%
National (Thousands)	1,542	1,497	1,510	1,566	1,624	1,648	1,696	1,739
% Ch	-4.3%	-2.9%	0.8%	3.7%	3.7%	1.5%	2.9%	2.6%
<b>MACHINERY</b>								
Idaho	2,287	2,352	2,613	2,901	3,078	3,189	3,065	3,178
% Ch	N/C	2.8%	11.1%	11.0%	6.1%	3.6%	-3.9%	3.7%
National (Thousands)	1,345	1,310	1,329	1,379	1,440	1,466	1,494	1,512
% Ch	-4.4%	-2.7%	1.5%	3.8%	4.4%	1.8%	1.9%	1.3%
<b>COMPUTER &amp; ELECTRONICS</b>								
Idaho	10,696	11,744	13,169	13,646	14,326	16,280	17,727	19,054
% Ch	N/C	9.8%	12.1%	3.6%	5.0%	13.6%	8.9%	7.5%
National (Thousands)	1,809	1,707	1,656	1,651	1,688	1,747	1,803	1,831
% Ch	-4.9%	-5.6%	-3.0%	-0.3%	2.3%	3.4%	3.2%	1.5%
<b>OTHER DURABLES</b>								
Idaho	4,949	5,126	5,631	6,543	7,280	7,373	7,732	8,370
% Ch	N/C	3.6%	9.8%	16.2%	11.3%	1.3%	4.9%	8.2%
National (Thousands)	5,025	4,931	4,883	4,975	5,047	5,041	5,115	5,218
% Ch	-4.8%	-1.9%	-1.0%	1.9%	1.4%	-0.1%	1.5%	2.0%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>TOTAL NONFARM EMPLOYMENT</b>								
Idaho	538,095	558,571	568,019	568,015	572,579	579,786	590,559	601,327
% Ch	3.4%	3.8%	1.7%	0.0%	0.8%	1.3%	1.9%	1.8%
National (Thousands)	128,994	131,790	131,830	130,376	130,055	132,127	134,741	137,057
% Ch	2.4%	2.2%	0.0%	-1.1%	-0.2%	1.6%	2.0%	1.7%
<b>GOODS PRODUCING SECTOR</b>								
Idaho	108,720	111,883	110,226	105,025	102,167	100,573	100,347	100,412
% Ch	1.6%	2.9%	-1.5%	-4.7%	-2.7%	-1.6%	-0.2%	0.1%
National (Thousands)	24,467	24,652	23,874	22,620	22,020	21,921	22,204	22,497
% Ch	0.5%	0.8%	-3.2%	-5.3%	-2.7%	-0.4%	1.3%	1.3%
<b>MANUFACTURING</b>								
Idaho	71,215	73,035	70,393	66,805	63,963	63,438	64,301	65,343
% Ch	-0.4%	2.6%	-3.6%	-5.1%	-4.3%	-0.8%	1.4%	1.6%
National (Thousands)	17,404	17,344	16,514	15,373	14,739	14,442	14,537	14,617
% Ch	-1.3%	-0.3%	-4.8%	-6.9%	-4.1%	-2.0%	0.7%	0.5%
<b>DURABLE MANUFACTURING</b>								
Idaho	45,701	47,411	45,100	42,323	40,024	39,575	39,937	40,522
% Ch	-0.4%	3.7%	-4.9%	-6.2%	-5.4%	-1.1%	0.9%	1.5%
National (Thousands)	10,912	10,955	10,407	9,585	9,132	9,020	9,140	9,192
% Ch	-0.7%	0.4%	-5.0%	-7.9%	-4.7%	-1.2%	1.3%	0.6%
<b>LOGGING &amp; WOOD PRODUCTS</b>								
Idaho	11,481	11,570	9,852	9,558	9,259	8,735	8,398	8,267
% Ch	0.1%	0.8%	-14.9%	-3.0%	-3.1%	-5.7%	-3.9%	-1.6%
National (Thousands)	701	692	647	626	606	578	567	574
% Ch	1.8%	-1.3%	-6.4%	-3.3%	-3.1%	-4.6%	-2.0%	1.2%
<b>METAL FABRICATION</b>								
Idaho	3,942	4,030	3,875	3,635	3,619	3,599	3,691	3,741
% Ch	3.0%	2.2%	-3.8%	-6.2%	-0.4%	-0.6%	2.5%	1.4%
National (Thousands)	1,728	1,753	1,676	1,548	1,475	1,442	1,488	1,540
% Ch	-0.6%	1.4%	-4.4%	-7.7%	-4.7%	-2.3%	3.2%	3.5%
<b>MACHINERY</b>								
Idaho	3,039	3,305	3,055	2,832	2,671	2,637	2,651	2,718
% Ch	-4.4%	8.7%	-7.6%	-7.3%	-5.7%	-1.3%	0.5%	2.5%
National (Thousands)	1,466	1,455	1,368	1,237	1,180	1,166	1,198	1,235
% Ch	-3.0%	-0.8%	-6.0%	-9.6%	-4.6%	-1.2%	2.8%	3.1%
<b>COMPUTER &amp; ELECTRONICS</b>								
Idaho	18,409	19,457	19,656	17,931	16,192	16,376	16,836	17,299
% Ch	-3.4%	5.7%	1.0%	-8.8%	-9.7%	1.1%	2.8%	2.7%
National (Thousands)	1,781	1,820	1,749	1,521	1,406	1,498	1,536	1,434
% Ch	-2.7%	2.2%	-3.9%	-13.0%	-7.6%	6.5%	2.6%	-6.7%
<b>OTHER DURABLES</b>								
Idaho	8,830	9,049	8,662	8,366	8,283	8,228	8,360	8,497
% Ch	5.5%	2.5%	-4.3%	-3.4%	-1.0%	-0.7%	1.6%	1.6%
National (Thousands)	5,235	5,236	4,967	4,653	4,465	4,336	4,350	4,409
% Ch	0.3%	0.0%	-5.1%	-6.3%	-4.0%	-2.9%	0.3%	1.3%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>NONDURABLE MANUFACTURING</b>								
Idaho	27,256	27,802	28,346	27,896	25,682	25,865	25,969	25,635
% Ch	N/C	2.0%	2.0%	-1.6%	-7.9%	0.7%	0.4%	-1.3%
National (Thousands)	6,848	6,854	6,874	6,892	6,871	6,752	6,715	6,650
% Ch	-1.6%	0.1%	0.3%	0.3%	-0.3%	-1.7%	-0.6%	-1.0%
<b>FOOD PROCESSING</b>								
Idaho	17,197	17,445	17,856	17,369	16,827	17,119	17,263	16,829
% Ch	N/C	1.4%	2.4%	-2.7%	-3.1%	1.7%	0.8%	-2.5%
National (Thousands)	1,515	1,519	1,535	1,540	1,561	1,562	1,557	1,555
% Ch	0.5%	0.3%	1.1%	0.3%	1.3%	0.1%	-0.3%	-0.1%
<b>PRINTING</b>								
Idaho	2,226	2,211	2,231	2,240	2,308	2,365	2,326	2,307
% Ch	N/C	-0.7%	0.9%	0.4%	3.0%	2.5%	-1.6%	-0.8%
National (Thousands)	792	780	785	802	817	816	821	828
% Ch	-2.0%	-1.5%	0.6%	2.2%	1.9%	-0.2%	0.6%	0.8%
<b>CHEMICALS</b>								
Idaho	4,172	4,259	4,210	4,099	2,354	2,330	2,273	2,361
% Ch	N/C	2.1%	-1.1%	-2.6%	-42.6%	-1.0%	-2.5%	3.9%
National (Thousands)	1,024	1,029	1,025	1,005	988	985	987	993
% Ch	-1.1%	0.5%	-0.4%	-2.0%	-1.7%	-0.3%	0.2%	0.6%
<b>OTHER NONDURABLES</b>								
Idaho	3,661	3,886	4,049	4,187	4,193	4,051	4,108	4,138
% Ch	N/C	6.2%	4.2%	3.4%	0.1%	-3.4%	1.4%	0.7%
National (Thousands)	3,517	3,526	3,529	3,545	3,505	3,390	3,350	3,274
% Ch	-2.5%	0.3%	0.1%	0.5%	-1.1%	-3.3%	-1.2%	-2.3%
<b>MINING</b>								
Idaho	3,098	2,581	2,164	2,367	2,683	2,977	2,996	2,817
% Ch	N/C	-16.7%	-16.1%	9.4%	13.3%	11.0%	0.7%	-6.0%
National (Thousands)	661	610	585	576	558	556	571	565
% Ch	-2.8%	-7.7%	-4.1%	-1.4%	-3.2%	-0.3%	2.7%	-1.1%
<b>CONSTRUCTION</b>								
Idaho	20,350	22,508	25,068	29,326	29,988	31,112	32,323	32,626
% Ch	N/C	10.6%	11.4%	17.0%	2.3%	3.7%	3.9%	0.9%
National (Thousands)	4,784	4,605	4,779	5,094	5,276	5,538	5,813	6,147
% Ch	-9.2%	-3.7%	3.8%	6.6%	3.6%	5.0%	5.0%	5.8%
<b>NON-GOODS PRODUCING</b>								
Idaho	313,272	328,469	344,140	362,800	378,737	388,499	401,917	413,502
% Ch	N/C	4.9%	4.8%	5.4%	4.4%	2.6%	3.5%	2.9%
National (Thousands)	85,793	86,629	88,626	91,505	94,145	96,287	98,883	101,571
% Ch	0.0%	1.0%	2.3%	3.2%	2.9%	2.3%	2.7%	2.7%
<b>TRADE</b>								
Idaho	72,496	75,916	78,874	83,336	86,215	89,134	91,683	93,770
% Ch	N/C	4.7%	3.9%	5.7%	3.5%	3.4%	2.9%	2.3%
National (Thousands)	18,083	17,939	18,113	18,733	19,328	19,663	20,053	20,405
% Ch	-2.0%	-0.8%	1.0%	3.4%	3.2%	1.7%	2.0%	1.8%
<b>RETAIL TRADE</b>								
Idaho	52,323	54,822	57,743	61,034	63,162	65,408	67,174	69,159
% Ch	N/C	4.8%	5.3%	5.7%	3.5%	3.6%	2.7%	3.0%
<b>WHOLESALE TRADE</b>								
Idaho	20,000	21,000	21,000	21,000	21,000	23,726	24,508	24,612
% Ch	N/C	5.0%	0.0%	0.0%	0.0%	2.9%	3.3%	0.4%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>NONDURABLE MANUFACTURING</b>								
Idaho	25,514	25,624	25,293	24,482	23,939	23,863	24,364	24,821
% Ch	-0.5%	0.4%	-1.3%	-3.2%	-2.2%	-0.3%	2.1%	1.9%
National (Thousands)	6,492	6,389	6,107	5,789	5,607	5,422	5,397	5,424
% Ch	-2.4%	-1.6%	-4.4%	-5.2%	-3.1%	-3.3%	-0.4%	0.5%
<b>FOOD PROCESSING</b>								
Idaho	16,704	16,660	16,522	16,354	15,813	15,763	16,095	16,318
% Ch	-0.7%	-0.3%	-0.8%	-1.0%	-3.3%	-0.3%	2.1%	1.4%
National (Thousands)	1,551	1,554	1,551	1,525	1,512	1,490	1,481	1,495
% Ch	-0.3%	0.2%	-0.2%	-1.7%	-0.8%	-1.5%	-0.6%	0.9%
<b>PRINTING</b>								
Idaho	2,234	2,338	2,225	2,033	2,018	1,925	1,912	1,971
% Ch	-3.2%	4.7%	-4.9%	-8.6%	-0.7%	-4.6%	-0.7%	3.1%
National (Thousands)	814	807	768	710	693	670	673	684
% Ch	-1.6%	-0.9%	-4.7%	-7.6%	-2.4%	-3.3%	0.3%	1.7%
<b>CHEMICALS</b>								
Idaho	2,314	2,336	2,323	1,925	1,834	1,784	1,801	1,822
% Ch	-2.0%	1.0%	-0.5%	-17.2%	-4.7%	-2.7%	0.9%	1.2%
National (Thousands)	982	980	959	930	918	905	915	927
% Ch	-1.0%	-0.2%	-2.2%	-3.1%	-1.3%	-1.4%	1.1%	1.4%
<b>OTHER NONDURABLES</b>								
Idaho	4,262	4,289	4,223	4,171	4,274	4,391	4,556	4,709
% Ch	3.0%	0.6%	-1.5%	-1.2%	2.5%	2.7%	3.8%	3.4%
National (Thousands)	3,145	3,048	2,828	2,624	2,484	2,357	2,330	2,319
% Ch	-4.0%	-3.1%	-7.2%	-7.2%	-5.4%	-5.1%	-1.1%	-0.5%
<b>MINING</b>								
Idaho	2,485	2,347	1,973	1,758	1,685	1,706	1,601	1,512
% Ch	-11.8%	-5.5%	-16.0%	-10.9%	-4.1%	1.2%	-6.1%	-5.5%
National (Thousands)	518	520	532	512	501	497	471	440
% Ch	-8.4%	0.5%	2.4%	-3.8%	-2.2%	-0.9%	-5.2%	-6.6%
<b>CONSTRUCTION</b>								
Idaho	35,021	36,501	37,860	36,462	36,519	35,429	34,446	33,558
% Ch	7.3%	4.2%	3.7%	-3.7%	0.2%	-3.0%	-2.8%	-2.6%
National (Thousands)	6,545	6,788	6,828	6,734	6,780	6,983	7,195	7,440
% Ch	6.5%	3.7%	0.6%	-1.4%	0.7%	3.0%	3.0%	3.4%
<b>NON-GOODS PRODUCING</b>								
Idaho	429,374	446,687	457,792	462,990	470,412	479,214	490,212	500,915
% Ch	3.8%	4.0%	2.5%	1.1%	1.6%	1.9%	2.3%	2.2%
National (Thousands)	104,527	107,139	107,955	107,756	108,035	110,205	112,538	114,560
% Ch	2.9%	2.5%	0.8%	-0.2%	0.3%	2.0%	2.1%	1.8%
<b>TRADE</b>								
Idaho	96,721	100,162	98,078	97,329	97,620	99,800	102,817	105,418
% Ch	3.1%	3.6%	-2.1%	-0.8%	0.3%	2.2%	3.0%	2.5%
National (Thousands)	20,862	21,210	21,013	20,690	20,550	20,740	20,903	21,147
% Ch	2.2%	1.7%	-0.9%	-1.5%	-0.7%	0.9%	0.8%	1.2%
<b>RETAIL TRADE</b>								
Idaho	71,416	74,451	72,614	72,384	72,790	74,470	76,808	78,832
% Ch	3.3%	4.3%	-2.5%	-0.3%	0.6%	2.3%	3.1%	2.6%
<b>WHOLESALE TRADE</b>								
Idaho	25,330	26,009	26,586	26,586	26,586	26,586	26,586	26,586
% Ch	2.8%	2.7%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>SERVICES</b>								
Idaho	155,410	163,210	173,524	185,545	196,054	202,107	210,035	217,465
% Ch	N/C	5.0%	6.3%	6.9%	5.7%	3.1%	3.9%	3.5%
National (Thousands)	49,164	49,904	51,520	53,498	55,382	57,094	59,170	61,256
% Ch	0.5%	1.5%	3.2%	3.8%	3.5%	3.1%	3.6%	3.5%
<b>INFORMATION</b>								
Idaho	6,990	7,083	7,195	7,413	7,602	7,699	7,587	8,375
% Ch	N/C	1.3%	1.6%	3.0%	2.5%	1.3%	-1.5%	10.4%
National (Thousands)	2,678	2,642	2,667	2,739	2,844	2,940	3,084	3,219
% Ch	-0.4%	-1.3%	1.0%	2.7%	3.8%	3.4%	4.9%	4.4%
<b>FINANCIAL ACTIVITIES</b>								
Idaho	21,116	22,104	23,258	24,521	25,494	26,834	26,836	24,255
% Ch	N/C	4.7%	5.2%	5.4%	4.0%	5.3%	0.0%	-9.6%
National (Thousands)	6,559	6,540	6,708	6,866	6,828	6,969	7,178	7,462
% Ch	-0.8%	-0.3%	2.6%	2.4%	-0.6%	2.1%	3.0%	4.0%
<b>TRANS., WAREHOUSING, UTILITIES</b>								
Idaho	13,478	14,055	14,557	15,465	16,508	17,329	17,624	18,158
% Ch	N/C	4.3%	3.6%	6.2%	6.7%	5.0%	1.7%	3.0%
National (Thousands)	4,200	4,188	4,264	4,390	4,505	4,576	4,647	4,781
% Ch	-0.4%	-0.3%	1.8%	2.9%	2.6%	1.6%	1.5%	2.9%
<b>PROFESSIONAL &amp; BUSINESS</b>								
Idaho	32,720	33,756	36,872	39,173	42,480	42,934	47,295	50,767
% Ch	N/C	3.2%	9.2%	6.2%	8.4%	1.1%	10.2%	7.3%
National (Thousands)	10,715	10,967	11,493	12,171	12,846	13,461	14,333	15,142
% Ch	-1.2%	2.3%	4.8%	5.9%	5.6%	4.8%	6.5%	5.6%
<b>EDUCATION &amp; HEALTH</b>								
Idaho	32,043	34,554	36,841	39,048	41,491	44,361	46,347	49,249
% Ch	N/C	7.8%	6.6%	6.0%	6.3%	6.9%	4.5%	6.3%
National (Thousands)	11,507	11,890	12,303	12,806	13,288	13,683	14,088	14,445
% Ch	4.8%	3.3%	3.5%	4.1%	3.8%	3.0%	3.0%	2.5%
<b>LEISURE &amp; HOSPITALITY</b>								
Idaho	37,432	39,614	41,375	44,569	46,651	47,557	48,839	50,425
% Ch	N/C	5.8%	4.4%	7.7%	4.7%	1.9%	2.7%	3.2%
National (Thousands)	9,256	9,439	9,733	10,098	10,499	10,774	11,016	11,232
% Ch	-0.3%	2.0%	3.1%	3.7%	4.0%	2.6%	2.3%	2.0%
<b>OTHER SERVICES</b>								
Idaho	11,631	12,045	13,426	15,356	15,829	15,393	15,507	16,236
% Ch	N/C	3.6%	11.5%	14.4%	3.1%	-2.8%	0.7%	4.7%
National (Thousands)	4,249	4,240	4,350	4,429	4,572	4,691	4,825	4,976
% Ch	-0.3%	-0.2%	2.6%	1.8%	3.2%	2.6%	2.9%	3.1%
<b>STATE &amp; LOCAL GOVERNMENT</b>								
Idaho	72,468	75,893	78,166	80,426	83,354	84,359	87,296	89,466
% Ch	N/C	4.7%	3.0%	2.9%	3.6%	1.2%	3.5%	2.5%
National (Thousands)	15,436	15,674	15,931	16,258	16,488	16,653	16,854	17,139
% Ch	1.4%	1.5%	1.6%	2.1%	1.4%	1.0%	1.2%	1.7%
<b>EDUCATION</b>								
Idaho	37,568	38,516	39,830	40,542	42,571	42,571	44,217	45,411
% Ch	N/C	2.5%	3.4%	1.8%	5.0%	0.0%	3.9%	2.7%
<b>NON-EDUCATION</b>								
Idaho	34,900	37,377	38,336	39,884	40,783	41,787	43,079	44,056
% Ch	N/C	7.1%	2.6%	4.0%	2.3%	2.5%	3.1%	2.3%
<b>FEDERAL GOVERNMENT</b>								
Idaho	12,899	13,450	13,576	13,493	13,114	12,900	12,904	12,800
% Ch	N/C	4.3%	0.9%	-0.6%	-2.8%	-1.6%	0.0%	-0.8%
National (Thousands)	3,111	3,112	3,062	3,016	2,947	2,876	2,806	2,771
% Ch	-2.7%	0.0%	-1.6%	-1.5%	-2.3%	-2.4%	-2.5%	-1.2%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>SERVICES</b>								
Idaho	227,558	238,281	249,576	253,629	260,365	266,852	274,360	282,131
% Ch	4.6%	4.7%	4.7%	1.6%	2.7%	2.5%	2.8%	2.8%
National (Thousands)	63,354	65,136	65,824	65,583	65,990	67,987	69,984	71,561
% Ch	3.4%	2.8%	1.1%	-0.4%	0.6%	3.0%	2.9%	2.3%
<b>INFORMATION</b>								
Idaho	9,274	9,859	9,596	9,157	9,147	9,261	9,647	9,988
% Ch	10.7%	6.3%	-2.7%	-4.6%	-0.1%	1.2%	4.2%	3.5%
National (Thousands)	3,418	3,630	3,629	3,420	3,290	3,331	3,393	3,426
% Ch	6.2%	6.2%	0.0%	-5.8%	-3.8%	1.3%	1.9%	1.0%
<b>FINANCIAL ACTIVITIES</b>								
Idaho	25,304	25,158	25,011	25,822	26,765	27,408	27,982	28,485
% Ch	4.3%	-0.6%	-0.6%	3.2%	3.7%	2.4%	2.1%	1.8%
National (Thousands)	7,647	7,688	7,808	7,843	7,964	8,087	8,212	8,267
% Ch	2.5%	0.5%	1.6%	0.4%	1.5%	1.5%	1.6%	0.7%
<b>TRANS., WAREHOUSING, UTILITIES</b>								
Idaho	19,003	19,407	19,153	18,672	19,137	19,025	19,218	19,243
% Ch	4.7%	2.1%	-1.3%	-2.5%	2.5%	-0.6%	1.0%	0.1%
National (Thousands)	4,908	5,012	4,973	4,806	4,726	4,883	5,059	5,215
% Ch	2.7%	2.1%	-0.8%	-3.4%	-1.7%	3.3%	3.6%	3.1%
<b>PROFESSIONAL &amp; BUSINESS</b>								
Idaho	54,795	60,628	67,654	69,014	70,575	72,247	74,187	76,745
% Ch	7.9%	10.6%	11.6%	2.0%	2.3%	2.4%	2.7%	3.4%
National (Thousands)	15,954	16,670	16,480	16,011	16,125	17,027	17,928	18,634
% Ch	5.4%	4.5%	-1.1%	-2.8%	0.7%	5.6%	5.3%	3.9%
<b>EDUCATION &amp; HEALTH</b>								
Idaho	50,576	53,020	56,960	59,815	61,887	63,885	66,094	68,310
% Ch	2.7%	4.8%	7.4%	5.0%	3.5%	3.2%	3.5%	3.4%
National (Thousands)	14,797	15,108	15,644	16,184	16,502	16,887	17,168	17,529
% Ch	2.4%	2.1%	3.5%	3.5%	2.0%	2.3%	1.7%	2.1%
<b>LEISURE &amp; HOSPITALITY</b>								
Idaho	51,461	52,563	53,055	53,278	54,815	56,548	58,298	60,048
% Ch	2.1%	2.1%	0.9%	0.4%	2.9%	3.2%	3.1%	3.0%
National (Thousands)	11,543	11,860	12,032	11,970	12,065	12,291	12,567	12,768
% Ch	2.8%	2.7%	1.5%	-0.5%	0.8%	1.9%	2.2%	1.6%
<b>OTHER SERVICES</b>								
Idaho	17,145	17,645	18,146	17,872	18,038	18,479	18,934	19,313
% Ch	5.6%	2.9%	2.8%	-1.5%	0.9%	2.4%	2.5%	2.0%
National (Thousands)	5,087	5,168	5,258	5,348	5,319	5,482	5,657	5,722
% Ch	2.2%	1.6%	1.7%	1.7%	-0.5%	3.0%	3.2%	1.2%
<b>STATE &amp; LOCAL GOVERNMENT</b>								
Idaho	92,261	94,743	96,860	98,483	98,966	99,289	99,849	100,217
% Ch	3.1%	2.7%	2.2%	1.7%	0.5%	0.3%	0.6%	0.4%
National (Thousands)	17,543	17,929	18,354	18,715	18,738	18,740	18,922	19,124
% Ch	2.4%	2.2%	2.4%	2.0%	0.1%	0.0%	1.0%	1.1%
<b>EDUCATION</b>								
Idaho	46,746	47,986	49,020	49,651	50,086	50,367	50,821	50,999
% Ch	2.9%	2.7%	2.2%	1.3%	0.9%	0.6%	0.9%	0.3%
<b>NON-EDUCATION</b>								
Idaho	45,514	46,757	47,839	48,832	48,880	48,922	49,028	49,218
% Ch	3.3%	2.7%	2.3%	2.1%	0.1%	0.1%	0.2%	0.4%
<b>FEDERAL GOVERNMENT</b>								
Idaho	12,834	13,502	13,279	13,549	13,461	13,271	13,186	13,149
% Ch	4.9%	5.2%	-1.6%	2.0%	-0.6%	-1.4%	-0.6%	-0.3%
National (Thousands)	2,769	2,864	2,764	2,768	2,757	2,738	2,728	2,728
% Ch	0.1%	3.4%	-3.5%	0.2%	-0.4%	-0.7%	-0.4%	0.0%

National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003

**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**MISCELLANEOUS**

	1991	1992	1993	1994	1995	1996	1997	1998
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>								
<b>Gross Domestic Product</b>	0.897	0.918	0.941	0.960	0.981	1.000	1.019	1.032
% Ch	3.6%	2.4%	2.4%	2.1%	2.2%	1.9%	1.9%	1.2%
<b>Consumption Expenditures</b>	0.889	0.916	0.938	0.957	0.979	1.000	1.019	1.030
% Ch	3.8%	3.1%	2.4%	2.0%	2.3%	2.1%	1.9%	1.1%
<b>Durable Goods</b>	0.974	0.983	0.991	1.006	1.011	1.000	0.977	0.954
% Ch	1.4%	0.9%	0.8%	1.5%	0.5%	-1.0%	-2.3%	-2.4%
<b>Nondurable Goods</b>	0.938	0.952	0.961	0.968	0.979	1.000	1.013	1.013
% Ch	3.1%	1.5%	1.0%	0.7%	1.1%	2.1%	1.3%	0.0%
<b>Services</b>	0.848	0.885	0.916	0.942	0.973	1.000	1.031	1.055
% Ch	4.8%	4.3%	3.5%	2.8%	3.3%	2.8%	3.1%	2.3%
<b>Consumer Price Index (1982-84=100)</b>	1.362	1.403	1.445	1.482	1.524	1.569	1.605	1.630
% Ch	4.2%	3.0%	3.0%	2.6%	2.8%	2.9%	2.3%	1.5%
<b>SELECTED INTEREST RATES</b>								
<b>Federal Funds</b>	5.7%	3.5%	3.0%	4.2%	5.8%	5.3%	5.5%	5.4%
<b>NY Fed Discount</b>	5.4%	3.3%	3.0%	3.6%	5.2%	5.0%	5.0%	4.9%
<b>Prime</b>	8.5%	6.3%	6.0%	7.1%	8.8%	8.3%	8.4%	8.4%
<b>Existing Home Mortgage</b>	9.3%	8.1%	7.2%	7.5%	7.8%	7.7%	7.7%	7.1%
<b>U.S. Govt. 3-Month Bills</b>	5.4%	3.4%	3.0%	4.2%	5.5%	5.0%	5.1%	4.8%
<b>U.S. Govt. 6-Month Bills</b>	5.5%	3.6%	3.1%	4.6%	5.6%	5.1%	5.2%	4.8%
<b>U.S. Govt. 5-Year Notes</b>	7.4%	6.2%	5.1%	6.7%	6.4%	6.2%	6.2%	5.2%
<b>U.S. Govt. 10-Year Notes</b>	7.9%	7.0%	5.9%	7.1%	6.6%	6.4%	6.4%	5.3%
<b>SELECTED US PRODUCTION INDICES</b>								
<b>Wood Products</b>	81.2	85.6	86.6	91.8	93.9	97.1	100.0	104.9
% Ch	-6.4%	5.4%	1.2%	6.0%	2.3%	19.6%	3.0%	4.9%
<b>Computers &amp; Electronic Products</b>	30.5	34.1	37.5	44.4	57.9	74.1	100.0	128.2
% Ch	3.4%	12.0%	9.8%	18.6%	30.3%	143.1%	35.0%	28.2%
<b>Food</b>	92.0	93.8	96.3	96.8	99.2	97.3	100.0	104.2
% Ch	1.9%	1.9%	2.7%	0.6%	2.5%	5.8%	2.8%	4.2%
<b>Agricultural Chemicals</b>	90.4	94.2	95.0	94.9	94.5	96.4	100.0	102.4
% Ch	-3.4%	4.2%	0.8%	-0.2%	-0.4%	6.6%	3.8%	2.4%
<b>Metal Ore Mining</b>	84.6	90.9	90.2	91.9	92.8	94.9	100.0	99.2
% Ch	-3.4%	7.4%	-0.8%	1.9%	0.9%	12.1%	5.4%	-0.8%



**IDAHO ECONOMIC FORECAST  
ANNUAL DETAIL  
OCTOBER 2003**

**MISCELLANEOUS**

	1999	2000	2001	2002	2003	2004	2005	2006
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>								
<b>Gross Domestic Product</b>	1.047	1.069	1.094	1.107	1.124	1.138	1.156	1.176
% Ch	1.4%	2.1%	2.4%	1.1%	1.5%	1.3%	1.6%	1.7%
<b>Consumption Expenditures</b>	1.047	1.074	1.096	1.111	1.131	1.146	1.166	1.187
% Ch	1.6%	2.5%	2.0%	1.4%	1.9%	1.3%	1.8%	1.8%
<b>Durable Goods</b>	0.930	0.915	0.897	0.872	0.846	0.826	0.818	0.813
% Ch	-2.5%	-1.7%	-1.9%	-2.8%	-3.0%	-2.3%	-0.9%	-0.6%
<b>Nondurable Goods</b>	1.037	1.076	1.092	1.096	1.114	1.115	1.132	1.147
% Ch	2.3%	3.8%	1.5%	0.4%	1.6%	0.1%	1.5%	1.3%
<b>Services</b>	1.078	1.108	1.143	1.174	1.209	1.240	1.271	1.302
% Ch	2.2%	2.8%	3.1%	2.7%	3.0%	2.6%	2.4%	2.4%
<b>Consumer Price Index (1982-84=100)</b>	1.666	1.722	1.771	1.799	1.840	1.863	1.895	1.930
% Ch	2.2%	3.4%	2.8%	1.6%	2.3%	1.2%	1.8%	1.8%
<b>SELECTED INTEREST RATES</b>								
<b>Federal Funds</b>	5.0%	6.2%	3.9%	1.7%	1.1%	1.1%	1.9%	2.3%
<b>NY Fed Discount</b>	4.6%	5.7%	3.4%	1.2%	2.1%	2.1%	2.9%	3.3%
<b>Prime</b>	8.0%	9.2%	6.9%	4.7%	4.1%	4.1%	4.9%	5.3%
<b>Existing Home Mortgage</b>	7.3%	8.0%	7.0%	6.5%	6.0%	6.6%	6.9%	6.9%
<b>U.S. Govt. 3-Month Bills</b>	4.6%	5.8%	3.4%	1.6%	1.0%	1.0%	1.7%	2.1%
<b>U.S. Govt. 6-Month Bills</b>	4.7%	5.9%	3.4%	1.7%	1.1%	1.2%	1.9%	2.3%
<b>U.S. Govt. 5-Year Notes</b>	5.5%	6.2%	4.6%	3.8%	3.1%	3.8%	4.5%	4.6%
<b>U.S. Govt. 10-Year Notes</b>	5.6%	6.0%	5.0%	4.6%	4.1%	4.9%	5.3%	5.3%
<b>SELECTED US PRODUCTION INDICES</b>								
<b>Wood Products</b>	108.9	107.4	99.7	100.5	95.9	92.4	91.7	92.5
% Ch	3.8%	-1.4%	-7.2%	0.8%	-4.6%	-3.6%	-0.8%	0.9%
<b>Computers &amp; Electronic Products</b>	166.4	221.1	223.7	220.7	235.8	278.4	335.3	383.5
% Ch	29.8%	32.9%	1.2%	-1.4%	6.9%	18.1%	20.4%	14.4%
<b>Food</b>	105.1	106.3	105.0	105.5	104.4	106.8	109.8	112.2
% Ch	0.9%	1.1%	-1.2%	0.4%	-1.1%	2.3%	2.9%	2.2%
<b>Agricultural Chemicals</b>	91.7	87.9	80.4	77.6	72.3	72.9	74.5	76.0
% Ch	-10.4%	-4.2%	-8.5%	-3.5%	-6.7%	0.8%	2.1%	2.1%
<b>Metal Ore Mining</b>	90.7	90.3	82.0	73.7	69.1	73.4	79.8	84.3
% Ch	-1.1%	-0.4%	-9.7%	-11.2%	-6.4%	6.2%	8.7%	5.6%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**DEMOGRAPHICS**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,313.3	1,318.5	1,323.0	1,327.8	1,336.4	1,339.4	1,342.8	1,345.4	1,349.0	1,352.4	1,355.8	1,359.2
% Ch	1.8%	1.6%	1.4%	1.5%	2.6%	0.9%	1.0%	0.8%	1.1%	1.0%	1.0%	1.0%
National (Millions)	284.764	285.545	286.306	287.068	287.833	288.600	289.293	289.987	290.683	291.381	292.016	292.652
% Ch	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%
<b>BIRTHS</b>												
Idaho (Thousands)	20.569	20.658	20.719	20.792	20.117	20.115	20.125	20.108	20.135	20.157	20.194	20.231
% Ch	0.9%	1.7%	1.2%	1.4%	-12.4%	0.0%	0.2%	-0.3%	0.5%	0.4%	0.7%	0.7%
National (Thousands)	3,874	3,875	3,877	3,879	3,881	3,883	3,886	3,890	3,894	3,898	3,903	3,909
% Ch	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%
<b>DEATHS</b>												
Idaho (Thousands)	9.753	9.793	9.830	9.868	9.797	9.824	9.852	9.876	9.906	9.935	9.963	9.992
% Ch	5.3%	1.7%	1.5%	1.6%	-2.8%	1.1%	1.2%	1.0%	1.2%	1.2%	1.2%	1.2%
National (Thousands)	2,438	2,443	2,449	2,454	2,459	2,465	2,470	2,475	2,480	2,485	2,490	2,495
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>NET MIGRATION</b>												
Idaho (Thousands)	12.025	9.936	7.111	8.276	24.117	1.792	3.191	0.277	4.010	3.464	3.456	3.448
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	13,021	12,997	11,686	11,277	11,387	12,067	13,083	16,285	15,765	15,028	14,154	13,504
% Ch	70.0%	-0.7%	-34.6%	-13.3%	4.0%	26.1%	38.2%	140.1%	-12.2%	-17.4%	-21.3%	-17.1%
National (Millions)	1.605	1.630	1.600	1.570	1.716	1.683	1.702	1.743	1.737	1.739	1.784	1.692
% Ch	16.8%	6.4%	-7.2%	-7.2%	42.8%	-7.6%	4.7%	9.9%	-1.4%	0.5%	10.7%	-19.0%
<b>SINGLE UNITS</b>												
Idaho	10,725	10,952	10,181	9,886	9,970	10,547	11,317	12,858	12,742	12,327	11,690	11,303
% Ch	8.9%	8.7%	-25.3%	-11.1%	3.5%	25.2%	32.6%	66.7%	-3.6%	-12.4%	-19.1%	-12.6%
National (Millions)	1.258	1.297	1.276	1.256	1.361	1.341	1.342	1.410	1.405	1.413	1.470	1.381
% Ch	11.3%	13.1%	-6.4%	-5.9%	37.6%	-5.7%	0.4%	21.9%	-1.6%	2.3%	17.1%	-21.9%
<b>MULTIPLE UNITS</b>												
Idaho	2,295	2,045	1,506	1,391	1,416	1,520	1,767	3,427	3,022	2,701	2,463	2,201
% Ch	4056.6%	-37.0%	-70.6%	-27.3%	7.6%	32.6%	82.5%	1316.4%	-39.5%	-36.2%	-30.8%	-36.3%
National (Millions)	0.347	0.333	0.324	0.314	0.356	0.342	0.360	0.332	0.332	0.326	0.314	0.311
% Ch	39.4%	-15.5%	-10.4%	-12.2%	65.3%	-14.8%	22.8%	-27.1%	-0.4%	-6.7%	-14.1%	-4.0%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	428.0	430.9	433.5	436.0	438.5	441.2	444.1	447.9	451.5	454.9	458.1	461.1
% Ch	2.8%	2.8%	2.4%	2.3%	2.3%	2.5%	2.7%	3.4%	3.3%	3.1%	2.8%	2.7%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**DEMOGRAPHICS**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>POPULATION</b>												
Idaho (Thousands)	1,362.7	1,366.1	1,369.5	1,372.9	1,376.4	1,379.8	1,383.2	1,386.6	1,390.0	1,393.5	1,396.9	1,400.3
% Ch	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
National (Millions)	293.288	293.923	294.554	295.185	295.816	296.447	297.075	297.703	298.330	298.958	299.584	300.210
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
<b>BIRTHS</b>												
Idaho (Thousands)	20.268	20.305	20.342	20.379	20.415	20.452	20.489	20.526	20.568	20.608	20.648	20.688
% Ch	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%
National (Thousands)	3,915	3,921	3,928	3,935	3,943	3,951	3,959	3,968	3,977	3,986	3,995	4,006
% Ch	0.6%	0.6%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	1.1%
<b>DEATHS</b>												
Idaho (Thousands)	10.021	10.050	10.078	10.107	10.136	10.165	10.193	10.222	10.251	10.280	10.308	10.337
% Ch	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
National (Thousands)	2,499	2,504	2,510	2,515	2,520	2,525	2,531	2,536	2,540	2,545	2,550	2,556
% Ch	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	1.0%	0.8%	0.6%	0.8%	0.8%	0.9%
<b>NET MIGRATION</b>												
Idaho (Thousands)	3.439	3.431	3.423	3.415	3.407	3.399	3.390	3.382	3.369	3.358	3.347	3.336
<b>HOUSING</b>												
<b>HOUSING STARTS</b>												
Idaho	13,158	13,028	12,918	12,837	12,643	12,455	12,270	12,096	11,962	11,846	11,716	11,568
% Ch	-9.9%	-3.9%	-3.3%	-2.5%	-5.9%	-5.8%	-5.8%	-5.6%	-4.3%	-3.8%	-4.3%	-5.0%
National (Millions)	1.656	1.650	1.637	1.630	1.618	1.604	1.598	1.597	1.602	1.601	1.609	1.621
% Ch	-8.3%	-1.5%	-3.1%	-1.7%	-2.8%	-3.5%	-1.7%	-0.1%	1.3%	-0.2%	1.8%	3.2%
<b>SINGLE UNITS</b>												
Idaho	11,156	11,137	11,124	11,119	11,013	10,914	10,819	10,737	10,690	10,651	10,588	10,501
% Ch	-5.1%	-0.7%	-0.5%	-0.2%	-3.8%	-3.5%	-3.4%	-3.0%	-1.7%	-1.5%	-2.3%	-3.2%
National (Millions)	1.359	1.360	1.355	1.356	1.359	1.356	1.352	1.353	1.353	1.354	1.356	1.362
% Ch	-6.4%	0.4%	-1.6%	0.4%	0.7%	-0.9%	-0.9%	0.1%	0.2%	0.2%	0.4%	1.8%
<b>MULTIPLE UNITS</b>												
Idaho	2,003	1,891	1,794	1,717	1,630	1,541	1,452	1,358	1,272	1,195	1,128	1,066
% Ch	-31.4%	-20.5%	-19.0%	-16.0%	-18.8%	-20.1%	-21.2%	-23.4%	-23.1%	-22.0%	-20.7%	-20.1%
National (Millions)	0.297	0.290	0.282	0.274	0.260	0.249	0.245	0.244	0.249	0.247	0.253	0.260
% Ch	-16.6%	-9.5%	-9.8%	-11.3%	-19.1%	-16.1%	-5.7%	-1.2%	7.5%	-2.6%	9.7%	11.2%
<b>HOUSING STOCK</b>												
Idaho (Thousands)	464.1	467.0	469.8	472.7	475.5	478.3	481.0	483.6	486.3	488.9	491.4	493.9
% Ch	2.6%	2.5%	2.5%	2.5%	2.4%	2.3%	2.3%	2.2%	2.2%	2.2%	2.1%	2.1%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**OUTPUT, INCOME, & WAGES**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	10,028	10,050	10,098	10,153	10,313	10,377	10,506	10,589	10,688	10,794	10,962	11,084
% Ch	3.0%	0.9%	1.9%	2.2%	6.5%	2.5%	5.1%	3.2%	3.8%	4.0%	6.4%	4.5%
1996 Chain-Weighted	9,230	9,193	9,186	9,249	9,363	9,392	9,486	9,518	9,552	9,626	9,734	9,826
% Ch	-0.6%	-1.6%	-0.3%	2.7%	5.0%	1.3%	4.0%	1.4%	1.4%	3.1%	4.6%	3.8%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	32,064	32,365	32,515	32,507	33,294	33,221	33,695	34,129	34,638	34,829	35,045	35,431
% Ch	4.0%	3.8%	1.9%	-0.1%	10.0%	-0.9%	5.8%	5.3%	6.1%	2.2%	2.5%	4.5%
Idaho Nonfarm (Millions)	31,067	31,413	31,580	31,539	31,969	32,456	32,774	33,089	33,467	33,609	34,093	34,464
% Ch	1.3%	4.5%	2.1%	-0.5%	5.6%	6.2%	4.0%	3.9%	4.6%	1.7%	5.9%	4.4%
National (Billions)	8,658	8,676	8,706	8,701	8,803	8,914	8,959	9,013	9,095	9,172	9,263	9,369
% Ch	3.9%	0.8%	1.4%	-0.2%	4.8%	5.1%	2.0%	2.4%	3.7%	3.5%	4.0%	4.6%
<b>PERSONAL INCOME - 1996 \$</b>												
Idaho (Millions)	29,376	29,519	29,662	29,595	30,229	29,959	30,257	30,509	30,757	30,874	30,889	31,186
% Ch	0.6%	2.0%	1.9%	-0.9%	8.8%	-3.5%	4.0%	3.4%	3.3%	1.5%	0.2%	3.9%
Idaho Nonfarm (Millions)	28,463	28,651	28,809	28,714	29,026	29,269	29,430	29,579	29,718	29,793	30,050	30,335
% Ch	-2.0%	2.7%	2.2%	-1.3%	4.4%	3.4%	2.2%	2.0%	1.9%	1.0%	3.5%	3.8%
National (Billions)	7,932	7,913	7,942	7,921	7,993	8,039	8,045	8,057	8,076	8,131	8,165	8,246
% Ch	0.5%	-1.0%	1.5%	-1.0%	3.7%	2.3%	0.3%	0.6%	1.0%	2.8%	1.7%	4.1%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	24,415	24,547	24,577	24,482	24,913	24,802	25,093	25,367	25,677	25,753	25,847	26,067
% Ch	2.2%	2.2%	0.5%	-1.5%	7.2%	-1.8%	4.8%	4.4%	5.0%	1.2%	1.5%	3.4%
National	30,404	30,385	30,409	30,310	30,585	30,887	30,968	31,079	31,288	31,479	31,721	32,013
% Ch	2.7%	-0.3%	0.3%	-1.3%	3.7%	4.0%	1.1%	1.4%	2.7%	2.5%	3.1%	3.7%
<b>PER CAPITA PERS INC - 1996 \$</b>												
Idaho	22,368	22,389	22,420	22,289	22,619	22,367	22,533	22,676	22,800	22,829	22,783	22,944
% Ch	-1.1%	0.4%	0.6%	-2.3%	6.1%	-4.4%	3.0%	2.6%	2.2%	0.5%	-0.8%	2.9%
National	27,856	27,713	27,740	27,594	27,769	27,854	27,809	27,783	27,782	27,905	27,960	28,178
% Ch	-0.6%	-2.0%	0.4%	-2.1%	2.6%	1.2%	-0.7%	-0.4%	0.0%	1.8%	0.8%	3.2%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	28,386	28,780	28,837	28,746	28,848	28,943	29,173	29,198	29,332	29,552	29,800	30,034
% Ch	-7.5%	5.7%	0.8%	-1.3%	1.4%	1.3%	3.2%	0.3%	1.9%	3.0%	3.4%	3.2%
National	37,435	37,501	37,610	37,668	37,984	38,322	38,448	38,539	38,928	39,204	39,452	39,846
% Ch	2.9%	0.7%	1.2%	0.6%	3.4%	3.6%	1.3%	1.0%	4.1%	2.9%	2.6%	4.1%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**OUTPUT, INCOME, & WAGES**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GROSS DOM. PRODUCT (Billions)</b>												
Current Dollars	11,233	11,370	11,555	11,715	11,866	12,013	12,157	12,308	12,479	12,636	12,816	12,984
% Ch	5.5%	5.0%	6.7%	5.7%	5.3%	5.1%	4.9%	5.1%	5.7%	5.2%	5.8%	5.4%
1996 Chain-Weighted	9,928	10,015	10,137	10,238	10,325	10,410	10,493	10,585	10,684	10,772	10,876	10,975
% Ch	4.2%	3.5%	5.0%	4.1%	3.4%	3.3%	3.2%	3.6%	3.8%	3.3%	3.9%	3.7%
<b>PERSONAL INCOME - CURR \$</b>												
Idaho (Millions)	36,047	36,663	37,319	37,739	38,095	38,600	39,101	39,415	40,042	40,648	41,329	41,751
% Ch	7.1%	7.0%	7.4%	4.6%	3.8%	5.4%	5.3%	3.3%	6.5%	6.2%	6.9%	4.1%
Idaho Nonfarm (Millions)	34,977	35,413	35,887	36,376	36,855	37,328	37,810	38,261	38,828	39,375	39,966	40,505
% Ch	6.1%	5.1%	5.5%	5.6%	5.4%	5.2%	5.3%	4.9%	6.1%	5.8%	6.1%	5.5%
National (Billions)	9,514	9,638	9,774	9,905	10,032	10,159	10,287	10,411	10,566	10,708	10,859	10,996
% Ch	6.3%	5.3%	5.7%	5.5%	5.2%	5.2%	5.2%	4.9%	6.1%	5.5%	5.8%	5.1%
<b>PERSONAL INCOME - 1996 \$</b>												
Idaho (Millions)	31,663	32,095	32,511	32,721	32,889	33,177	33,461	33,594	33,982	34,337	34,740	34,941
% Ch	6.3%	5.6%	5.3%	2.6%	2.1%	3.6%	3.5%	1.6%	4.7%	4.2%	4.8%	2.3%
Idaho Nonfarm (Millions)	30,723	31,001	31,263	31,539	31,818	32,084	32,356	32,610	32,952	33,261	33,595	33,899
% Ch	5.2%	3.7%	3.4%	3.6%	3.6%	3.4%	3.4%	3.2%	4.3%	3.8%	4.1%	3.7%
National (Billions)	8,357	8,437	8,514	8,588	8,661	8,732	8,803	8,874	8,967	9,046	9,128	9,202
% Ch	5.5%	3.9%	3.7%	3.5%	3.4%	3.3%	3.3%	3.2%	4.3%	3.6%	3.7%	3.3%
<b>PER CAPITA PERS INC - CURR \$</b>												
Idaho	26,454	26,838	27,250	27,488	27,678	27,976	28,269	28,425	28,806	29,171	29,586	29,815
% Ch	6.1%	5.9%	6.3%	3.5%	2.8%	4.4%	4.3%	2.2%	5.5%	5.2%	5.8%	3.1%
National	32,439	32,792	33,181	33,555	33,913	34,269	34,629	34,973	35,416	35,819	36,248	36,627
% Ch	5.4%	4.4%	4.8%	4.6%	4.3%	4.3%	4.3%	4.0%	5.2%	4.6%	4.9%	4.3%
<b>PER CAPITA PERS INC - 1996 \$</b>												
Idaho	23,236	23,494	23,739	23,833	23,896	24,045	24,191	24,227	24,447	24,641	24,870	24,953
% Ch	5.2%	4.5%	4.2%	1.6%	1.1%	2.5%	2.4%	0.6%	3.7%	3.2%	3.8%	1.3%
National	28,494	28,706	28,906	29,093	29,278	29,454	29,634	29,807	30,057	30,257	30,469	30,653
% Ch	4.6%	3.0%	2.8%	2.6%	2.6%	2.4%	2.5%	2.4%	3.4%	2.7%	2.8%	2.4%
<b>AVERAGE ANNUAL WAGE</b>												
Idaho	30,308	30,572	30,824	31,084	31,394	31,695	31,989	32,281	32,597	32,893	33,180	33,459
% Ch	3.7%	3.5%	3.3%	3.4%	4.0%	3.9%	3.8%	3.7%	4.0%	3.7%	3.5%	3.4%
National	40,196	40,497	40,813	41,206	41,644	42,014	42,378	42,751	43,179	43,545	43,897	44,256
% Ch	3.6%	3.0%	3.2%	3.9%	4.3%	3.6%	3.5%	3.6%	4.1%	3.4%	3.3%	3.3%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**PERSONAL INCOME -- CURR \$\$**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	16,722	16,942	16,949	16,807	16,867	17,020	17,197	17,313	17,410	17,536	17,709	17,875
% Ch	-3.7%	5.4%	0.2%	-3.3%	1.4%	3.7%	4.2%	2.7%	2.3%	2.9%	4.0%	3.8%
National (Billions)	4,960	4,957	4,954	4,931	4,958	4,997	5,007	5,023	5,069	5,096	5,125	5,184
% Ch	3.5%	-0.3%	-0.3%	-1.8%	2.2%	3.2%	0.8%	1.3%	3.7%	2.1%	2.3%	4.7%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	626	577	558	588	928	366	516	632	760	812	543	562
% Ch	422.8%	-27.8%	-12.5%	23.3%	520.4%	-97.6%	295.1%	125.0%	109.1%	30.4%	-80.0%	14.8%
National (Billions)	19	18	19	19	22	8	11	12	14	16	15	16
% Ch	-31.3%	-17.4%	21.0%	-2.1%	63.2%	-98.6%	314.3%	43.0%	117.0%	49.4%	-11.4%	20.7%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	3,294	3,322	3,345	3,376	3,431	3,517	3,561	3,640	3,706	3,746	3,877	3,933
% Ch	5.3%	3.4%	2.8%	3.8%	6.7%	10.4%	5.1%	9.2%	7.5%	4.4%	14.7%	5.9%
National (Billions)	702	708	713	712	727	740	748	760	770	788	815	826
% Ch	2.2%	3.6%	2.8%	-0.6%	8.4%	7.6%	4.4%	6.5%	5.5%	9.8%	14.3%	5.5%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	6,098	6,089	6,113	6,106	6,127	6,227	6,224	6,215	6,218	6,199	6,300	6,379
% Ch	3.5%	-0.6%	1.6%	-0.5%	1.4%	6.7%	-0.2%	-0.6%	0.2%	-1.2%	6.7%	5.1%
National (Billions)	1,648	1,638	1,638	1,630	1,635	1,666	1,662	1,655	1,654	1,657	1,674	1,692
% Ch	-0.7%	-2.5%	0.2%	-2.1%	1.3%	7.9%	-1.0%	-1.6%	-0.3%	0.7%	4.3%	4.1%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	1,969	1,992	2,016	2,008	2,077	2,119	2,180	2,220	2,240	2,259	2,285	2,307
% Ch	-2.2%	4.8%	4.9%	-1.6%	14.5%	8.3%	12.0%	7.5%	3.7%	3.4%	4.7%	3.8%
National (Billions)	565	568	572	576	591	604	618	630	639	645	650	659
% Ch	5.4%	2.5%	3.0%	2.8%	10.4%	9.3%	9.2%	8.4%	5.8%	3.7%	3.3%	5.4%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	4,233	4,332	4,439	4,528	4,749	4,863	4,923	5,024	5,233	5,208	5,268	5,322
% Ch	19.7%	9.7%	10.3%	8.3%	21.0%	10.0%	5.0%	8.5%	17.7%	-1.9%	4.7%	4.2%
National (Billions)	1,135	1,159	1,183	1,205	1,252	1,283	1,298	1,319	1,341	1,365	1,380	1,393
% Ch	15.8%	8.8%	8.3%	7.8%	16.5%	10.1%	5.0%	6.5%	6.7%	7.5%	4.3%	3.8%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	1,302	1,325	1,330	1,324	1,354	1,367	1,385	1,395	1,412	1,421	1,428	1,440
% Ch	2.2%	7.3%	1.5%	-1.8%	9.4%	3.9%	5.4%	2.9%	5.0%	2.5%	2.1%	3.2%
National (Billions)	371	372	373	373	381	384	385	387	393	395	397	400
% Ch	9.2%	1.1%	1.0%	-0.4%	8.7%	3.3%	1.8%	1.6%	6.5%	2.3%	1.9%	3.6%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	424	435	424	418	469	476	478	479	483	488	490	492
% Ch	-3.7%	10.8%	-9.7%	-5.5%	58.5%	6.1%	1.7%	0.8%	3.4%	4.5%	1.7%	1.5%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**PERSONAL INCOME -- CURR \$\$**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>WAGE AND SALARY PAYMENTS</b>												
Idaho (Millions)	18,108	18,344	18,579	18,809	19,085	19,354	19,612	19,844	20,129	20,406	20,691	20,948
% Ch	5.3%	5.3%	5.2%	5.1%	6.0%	5.7%	5.4%	4.8%	5.9%	5.6%	5.7%	5.0%
National (Billions)	5,264	5,336	5,411	5,489	5,572	5,649	5,724	5,799	5,881	5,955	6,029	6,103
% Ch	6.3%	5.6%	5.8%	5.9%	6.2%	5.7%	5.4%	5.4%	5.8%	5.2%	5.1%	5.0%
<b>FARM PROPRIETORS INCOME</b>												
Idaho (Millions)	667	840	1,016	953	831	858	876	748	807	860	945	834
% Ch	98.1%	151.6%	114.0%	-22.6%	-42.3%	13.8%	8.9%	-46.8%	34.8%	29.6%	45.3%	-39.3%
National (Billions)	16	21	25	24	25	27	28	25	26	28	30	27
% Ch	10.0%	156.7%	110.2%	-16.1%	17.3%	44.3%	12.4%	-36.8%	18.3%	26.8%	37.5%	-32.3%
<b>NONFARM PROPRIETORS INCOME</b>												
Idaho (Millions)	4,012	4,071	4,152	4,225	4,290	4,351	4,402	4,452	4,511	4,573	4,644	4,712
% Ch	8.2%	6.0%	8.2%	7.2%	6.3%	5.8%	4.8%	4.6%	5.4%	5.6%	6.3%	6.0%
National (Billions)	842	853	870	884	897	909	918	928	939	952	966	979
% Ch	7.8%	5.6%	7.9%	6.8%	5.9%	5.4%	4.4%	4.2%	5.1%	5.3%	6.0%	5.6%
<b>DIVIDENDS, RENT &amp; INTEREST</b>												
Idaho (Millions)	6,446	6,518	6,599	6,693	6,783	6,871	6,964	7,054	7,151	7,234	7,317	7,407
% Ch	4.2%	4.5%	5.1%	5.8%	5.5%	5.3%	5.5%	5.3%	5.6%	4.7%	4.7%	5.0%
National (Billions)	1,708	1,728	1,747	1,767	1,786	1,806	1,830	1,854	1,882	1,903	1,924	1,945
% Ch	4.0%	4.7%	4.5%	4.5%	4.4%	4.7%	5.3%	5.4%	6.0%	4.6%	4.5%	4.5%
<b>OTHER LABOR INCOME</b>												
Idaho (Millions)	2,336	2,379	2,433	2,497	2,542	2,588	2,639	2,683	2,731	2,780	2,831	2,876
% Ch	5.2%	7.6%	9.4%	10.8%	7.4%	7.4%	8.2%	6.9%	7.4%	7.4%	7.4%	6.5%
National (Billions)	667	677	692	709	722	735	749	763	777	790	803	815
% Ch	4.9%	6.6%	8.7%	10.3%	7.6%	7.4%	8.1%	7.4%	7.3%	6.9%	6.7%	6.5%
<b>GOVT. TRANSFERS TO INDIV.</b>												
Idaho (Millions)	5,442	5,489	5,534	5,572	5,592	5,624	5,670	5,712	5,809	5,910	6,035	6,127
% Ch	9.3%	3.5%	3.4%	2.8%	1.4%	2.3%	3.3%	2.9%	7.0%	7.1%	8.8%	6.2%
National (Billions)	1,423	1,435	1,446	1,455	1,460	1,467	1,478	1,488	1,513	1,539	1,571	1,594
% Ch	9.1%	3.2%	3.2%	2.6%	1.2%	2.1%	3.1%	2.7%	6.9%	7.0%	8.7%	6.1%
<b>CONTRIB. FOR SOCIAL INSUR.</b>												
Idaho (Millions)	1,459	1,479	1,498	1,518	1,540	1,563	1,584	1,603	1,628	1,652	1,676	1,698
% Ch	5.5%	5.5%	5.4%	5.2%	6.1%	5.9%	5.6%	5.0%	6.3%	6.0%	6.1%	5.4%
National (Billions)	406	412	417	423	429	435	440	445	452	457	463	469
% Ch	6.0%	5.3%	5.5%	5.6%	5.9%	5.4%	5.1%	5.1%	5.8%	5.1%	5.0%	5.0%
<b>RESIDENCE ADJUSTMENT</b>												
Idaho (Millions)	496	500	504	508	513	517	522	526	531	536	541	546
% Ch	3.1%	3.2%	3.1%	3.0%	4.0%	3.8%	3.5%	2.9%	4.1%	3.9%	4.0%	3.3%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	569,473	569,245	568,328	565,028	563,846	567,106	568,674	572,435	572,507	571,683	572,486	573,640
% Ch	3.7%	-0.2%	-0.6%	-2.3%	-0.8%	2.3%	1.1%	2.7%	0.1%	-0.6%	0.6%	0.8%
National (Thousands)	132,508	132,180	131,712	130,920	130,523	130,403	130,239	130,338	130,225	129,987	129,906	130,102
% Ch	0.6%	-1.0%	-1.4%	-2.4%	-1.2%	-0.4%	-0.5%	0.3%	-0.3%	-0.7%	-0.3%	0.6%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	113,297	111,521	109,860	106,226	104,630	104,764	105,173	105,533	104,150	102,296	101,415	100,805
% Ch	2.4%	-6.1%	-5.8%	-12.6%	-5.9%	0.5%	1.6%	1.4%	-5.1%	-6.9%	-3.4%	-2.4%
National (Thousands)	24,471	24,118	23,684	23,226	22,879	22,673	22,538	22,389	22,212	22,089	21,960	21,817
% Ch	-2.3%	-5.6%	-7.0%	-7.5%	-5.8%	-3.6%	-2.4%	-2.6%	-3.1%	-2.2%	-2.3%	-2.6%
<b>MANUFACTURING</b>												
Idaho	72,778	71,151	69,937	67,707	66,861	66,767	66,970	66,621	65,359	64,073	63,430	62,989
% Ch	-4.0%	-8.6%	-6.7%	-12.2%	-4.9%	-0.6%	1.2%	-2.1%	-7.4%	-7.6%	-4.0%	-2.8%
National (Thousands)	17,100	16,734	16,317	15,906	15,589	15,439	15,314	15,152	14,992	14,806	14,657	14,500
% Ch	-4.0%	-8.3%	-9.6%	-9.7%	-7.7%	-3.8%	-3.2%	-4.2%	-4.2%	-4.9%	-4.0%	-4.2%
<b>DURABLE MANUFACTURING</b>												
Idaho	47,137	45,614	44,702	42,948	42,301	42,225	42,393	42,372	41,028	39,942	39,609	39,516
% Ch	-3.7%	-12.3%	-7.8%	-14.8%	-5.9%	-0.7%	1.6%	-0.2%	-12.1%	-10.2%	-3.3%	-0.9%
National (Thousands)	10,828	10,563	10,267	9,971	9,735	9,636	9,542	9,427	9,306	9,177	9,072	8,973
% Ch	-4.2%	-9.5%	-10.7%	-11.0%	-9.1%	-4.0%	-3.9%	-4.7%	-5.0%	-5.4%	-4.5%	-4.3%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	10,311	9,794	9,760	9,541	9,550	9,424	9,614	9,646	9,419	9,260	9,229	9,126
% Ch	-16.7%	-18.6%	-1.4%	-8.7%	0.3%	-5.1%	8.3%	1.3%	-9.1%	-6.6%	-1.4%	-4.4%
National (Thousands)	660	650	644	636	633	628	623	619	613	609	605	598
% Ch	-8.8%	-6.0%	-3.5%	-4.5%	-1.9%	-3.2%	-3.2%	-2.6%	-3.5%	-3.0%	-2.4%	-4.9%
<b>METAL FABRICATION</b>												
Idaho	4,026	3,941	3,830	3,704	3,571	3,635	3,688	3,647	3,628	3,642	3,621	3,587
% Ch	1.0%	-8.2%	-10.8%	-12.4%	-13.7%	7.4%	6.0%	-4.5%	-2.0%	1.6%	-2.3%	-3.6%
National (Thousands)	1,746	1,702	1,653	1,604	1,568	1,556	1,543	1,524	1,500	1,482	1,467	1,451
% Ch	-3.4%	-9.6%	-11.0%	-11.5%	-8.8%	-2.8%	-3.4%	-4.9%	-6.1%	-4.7%	-4.1%	-4.3%
<b>MACHINERY</b>												
Idaho	3,345	3,163	2,914	2,799	2,797	2,834	2,875	2,821	2,698	2,646	2,664	2,678
% Ch	-6.4%	-20.1%	-27.9%	-14.9%	-0.3%	5.4%	5.9%	-7.3%	-16.4%	-7.4%	2.7%	2.1%
National (Thousands)	1,437	1,393	1,345	1,297	1,260	1,243	1,229	1,216	1,201	1,182	1,173	1,165
% Ch	-4.6%	-11.8%	-12.9%	-13.7%	-10.9%	-5.2%	-4.4%	-4.2%	-4.9%	-6.3%	-2.8%	-2.5%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	20,681	20,001	19,509	18,433	18,074	17,955	17,868	17,826	16,676	16,107	15,965	16,018
% Ch	6.4%	-12.5%	-9.5%	-20.3%	-7.6%	-2.6%	-1.9%	-1.0%	-23.4%	-13.0%	-3.5%	1.3%
National (Thousands)	1,864	1,793	1,705	1,633	1,571	1,537	1,505	1,473	1,440	1,414	1,391	1,379
% Ch	0.8%	-14.4%	-18.2%	-15.8%	-14.4%	-8.4%	-8.2%	-8.2%	-8.7%	-7.0%	-6.4%	-3.3%
<b>OTHER DURABLES</b>												
Idaho	8,773	8,715	8,690	8,470	8,310	8,377	8,347	8,432	8,607	8,287	8,131	8,106
% Ch	-10.4%	-2.6%	-1.1%	-9.7%	-7.3%	3.3%	-1.4%	4.2%	8.5%	-14.0%	-7.4%	-1.2%
National (Thousands)	5,122	5,025	4,919	4,801	4,703	4,672	4,642	4,595	4,552	4,491	4,436	4,379
% Ch	-5.5%	-7.3%	-8.2%	-9.3%	-7.9%	-2.6%	-2.5%	-4.0%	-3.7%	-5.3%	-4.8%	-5.0%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003**



**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>TOTAL NONFARM EMPLOYMENT</b>												
Idaho	575,915	578,419	581,047	583,764	586,628	589,409	592,057	594,141	596,879	599,722	602,963	605,745
% Ch	1.6%	1.8%	1.8%	1.9%	2.0%	1.9%	1.8%	1.4%	1.9%	1.9%	2.2%	1.9%
National (Thousands)	130,952	131,753	132,588	133,213	133,804	134,461	135,060	135,641	136,204	136,765	137,350	137,910
% Ch	2.6%	2.5%	2.6%	1.9%	1.8%	2.0%	1.8%	1.7%	1.7%	1.7%	1.7%	1.6%
<b>GOODS PRODUCING SECTOR</b>												
Idaho	100,647	100,639	100,568	100,436	100,361	100,459	100,430	100,138	100,201	100,338	100,594	100,517
% Ch	-0.6%	0.0%	-0.3%	-0.5%	-0.3%	0.4%	-0.1%	-1.2%	0.3%	0.5%	1.0%	-0.3%
National (Thousands)	21,793	21,866	21,970	22,056	22,123	22,164	22,233	22,296	22,379	22,456	22,543	22,611
% Ch	-0.4%	1.3%	1.9%	1.6%	1.2%	0.7%	1.3%	1.1%	1.5%	1.4%	1.5%	1.2%
<b>MANUFACTURING</b>												
Idaho	63,078	63,342	63,598	63,734	63,929	64,276	64,504	64,493	64,798	65,163	65,642	65,767
% Ch	0.6%	1.7%	1.6%	0.9%	1.2%	2.2%	1.4%	-0.1%	1.9%	2.3%	3.0%	0.8%
National (Thousands)	14,421	14,434	14,441	14,471	14,500	14,520	14,555	14,575	14,598	14,618	14,625	14,626
% Ch	-2.2%	0.4%	0.2%	0.8%	0.8%	0.6%	1.0%	0.6%	0.6%	0.6%	0.2%	0.0%
<b>DURABLE MANUFACTURING</b>												
Idaho	39,497	39,555	39,556	39,693	39,772	39,895	39,985	40,095	40,235	40,400	40,611	40,841
% Ch	-0.2%	0.6%	0.0%	1.4%	0.8%	1.2%	0.9%	1.1%	1.4%	1.6%	2.1%	2.3%
National (Thousands)	8,949	9,004	9,043	9,084	9,108	9,125	9,154	9,173	9,187	9,195	9,196	9,192
% Ch	-1.0%	2.4%	1.7%	1.8%	1.1%	0.7%	1.3%	0.9%	0.6%	0.4%	0.0%	-0.2%
<b>LOGGING &amp; WOOD PRODUCTS</b>												
Idaho	8,973	8,784	8,642	8,540	8,472	8,418	8,370	8,332	8,298	8,269	8,254	8,249
% Ch	-6.5%	-8.2%	-6.3%	-4.6%	-3.2%	-2.5%	-2.3%	-1.8%	-1.6%	-1.4%	-0.7%	-0.2%
National (Thousands)	590	583	573	568	566	566	567	569	572	574	575	577
% Ch	-4.8%	-5.2%	-6.4%	-3.5%	-1.4%	-0.3%	1.1%	1.6%	1.5%	1.4%	0.9%	1.2%
<b>METAL FABRICATION</b>												
Idaho	3,576	3,583	3,606	3,633	3,661	3,684	3,703	3,715	3,725	3,735	3,747	3,757
% Ch	-1.3%	0.8%	2.6%	3.1%	3.1%	2.6%	2.0%	1.3%	1.1%	1.0%	1.3%	1.1%
National (Thousands)	1,442	1,438	1,437	1,450	1,463	1,478	1,496	1,515	1,528	1,538	1,545	1,551
% Ch	-2.5%	-1.0%	-0.5%	3.7%	3.9%	4.0%	5.2%	4.9%	3.6%	2.7%	1.7%	1.6%
<b>MACHINERY</b>												
Idaho	2,689	2,702	2,569	2,590	2,615	2,641	2,665	2,685	2,700	2,713	2,724	2,736
% Ch	1.7%	2.0%	-18.2%	3.2%	3.9%	4.1%	3.6%	3.0%	2.3%	1.9%	1.6%	1.8%
National (Thousands)	1,160	1,165	1,166	1,172	1,181	1,191	1,204	1,216	1,226	1,234	1,238	1,243
% Ch	-2.0%	2.0%	0.3%	1.9%	3.2%	3.6%	4.4%	4.1%	3.2%	2.5%	1.5%	1.6%
<b>COMPUTER &amp; ELECTRONICS</b>												
Idaho	16,136	16,301	16,466	16,599	16,688	16,794	16,879	16,984	17,102	17,222	17,363	17,509
% Ch	3.0%	4.1%	4.1%	3.3%	2.1%	2.6%	2.0%	2.5%	2.8%	2.8%	3.3%	3.4%
National (Thousands)	1,413	1,476	1,539	1,563	1,561	1,549	1,531	1,503	1,475	1,447	1,421	1,393
% Ch	10.1%	19.1%	18.1%	6.6%	-0.5%	-3.1%	-4.4%	-7.1%	-7.4%	-7.4%	-6.8%	-7.8%
<b>OTHER DURABLES</b>												
Idaho	8,123	8,185	8,273	8,330	8,336	8,357	8,368	8,380	8,410	8,461	8,525	8,591
% Ch	0.8%	3.1%	4.4%	2.8%	0.3%	1.0%	0.5%	0.6%	1.4%	2.4%	3.1%	3.2%
National (Thousands)	4,345	4,342	4,328	4,331	4,336	4,341	4,354	4,369	4,387	4,403	4,417	4,429
% Ch	-3.1%	-0.3%	-1.2%	0.3%	0.5%	0.5%	1.2%	1.4%	1.6%	1.5%	1.3%	1.1%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	25,641	25,537	25,235	24,759	24,560	24,542	24,577	24,249	24,332	24,131	23,820	23,473
% Ch	-4.5%	-1.6%	-4.7%	-7.3%	-3.2%	-0.3%	0.6%	-5.2%	1.4%	-3.3%	-5.0%	-5.7%
National (Thousands)	6,272	6,172	6,050	5,935	5,854	5,803	5,772	5,725	5,686	5,629	5,585	5,527
% Ch	-3.6%	-6.2%	-7.7%	-7.4%	-5.3%	-3.4%	-2.1%	-3.2%	-2.7%	-3.9%	-3.1%	-4.1%
<b>FOOD PROCESSING</b>												
Idaho	16,538	16,656	16,622	16,270	16,444	16,378	16,360	16,234	16,151	15,991	15,716	15,393
% Ch	-5.9%	2.9%	-0.8%	-8.2%	4.3%	-1.6%	-0.4%	-3.1%	-2.0%	-3.9%	-6.7%	-8.0%
National (Thousands)	1,556	1,557	1,549	1,542	1,536	1,526	1,518	1,520	1,515	1,512	1,512	1,510
% Ch	1.5%	0.3%	-2.2%	-1.6%	-1.6%	-2.6%	-2.1%	0.5%	-1.2%	-0.7%	0.0%	-0.7%
<b>PRINTING</b>												
Idaho	2,369	2,264	2,174	2,093	2,025	2,024	2,052	2,030	2,104	2,008	1,989	1,971
% Ch	-5.1%	-16.5%	-15.0%	-14.0%	-12.4%	-0.2%	5.6%	-4.2%	15.4%	-17.0%	-3.8%	-3.6%
National (Thousands)	795	778	760	741	725	713	705	696	695	695	693	688
% Ch	-3.8%	-8.2%	-8.8%	-9.7%	-8.1%	-6.7%	-4.3%	-5.1%	-0.7%	-0.2%	-0.7%	-3.0%
<b>CHEMICALS</b>												
Idaho	2,374	2,380	2,296	2,244	1,974	1,937	1,893	1,896	1,859	1,851	1,824	1,802
% Ch	0.2%	1.0%	-13.3%	-8.8%	-40.2%	-7.2%	-8.8%	0.6%	-7.6%	-1.6%	-5.9%	-4.7%
National (Thousands)	973	964	955	944	935	930	929	925	924	920	917	911
% Ch	-1.5%	-3.7%	-3.6%	-4.4%	-4.0%	-1.9%	-0.7%	-1.4%	-0.4%	-1.8%	-1.3%	-2.7%
<b>OTHER NONDURABLES</b>												
Idaho	4,361	4,237	4,142	4,152	4,118	4,203	4,272	4,090	4,218	4,280	4,292	4,308
% Ch	-1.1%	-10.8%	-8.7%	0.9%	-3.2%	8.5%	6.8%	-16.1%	13.2%	6.0%	1.1%	1.5%
National (Thousands)	2,948	2,873	2,786	2,707	2,658	2,634	2,620	2,584	2,551	2,502	2,462	2,419
% Ch	-6.8%	-9.8%	-11.5%	-10.9%	-7.1%	-3.6%	-2.1%	-5.3%	-5.0%	-7.5%	-6.2%	-6.9%
<b>MINING</b>												
Idaho	2,157	2,083	1,901	1,749	1,772	1,732	1,784	1,742	1,711	1,724	1,624	1,684
% Ch	-20.3%	-13.2%	-30.6%	-28.3%	5.3%	-8.7%	12.6%	-9.1%	-7.0%	3.1%	-21.3%	15.6%
National (Thousands)	532	536	535	527	522	514	507	505	501	501	500	501
% Ch	3.8%	3.3%	-0.8%	-5.8%	-3.7%	-6.1%	-5.0%	-2.0%	-3.0%	0.2%	-0.9%	1.0%
<b>CONSTRUCTION</b>												
Idaho	38,362	38,287	38,022	36,770	35,997	36,265	36,418	37,170	37,080	36,499	36,362	36,133
% Ch	18.0%	-0.8%	-2.7%	-12.5%	-8.1%	3.0%	1.7%	8.5%	-1.0%	-6.1%	-1.5%	-2.5%
National (Thousands)	6,839	6,847	6,832	6,793	6,769	6,720	6,717	6,732	6,719	6,781	6,803	6,815
% Ch	1.5%	0.5%	-0.9%	-2.3%	-1.4%	-2.8%	-0.2%	0.9%	-0.8%	3.7%	1.3%	0.7%
<b>NON-GOODS PRODUCING</b>												
Idaho	456,176	457,724	458,468	458,802	459,215	462,343	463,501	466,902	468,356	469,387	471,071	472,835
% Ch	4.0%	1.4%	0.7%	0.3%	0.4%	2.8%	1.0%	3.0%	1.3%	0.9%	1.4%	1.5%
National (Thousands)	108,037	108,063	108,028	107,694	107,643	107,730	107,702	107,949	108,012	107,899	107,946	108,285
% Ch	1.3%	0.1%	-0.1%	-1.2%	-0.2%	0.3%	-0.1%	0.9%	0.2%	-0.4%	0.2%	1.3%
<b>TRADE</b>												
Idaho	99,389	98,687	97,320	96,917	97,446	97,444	97,320	97,106	97,627	97,206	97,595	98,051
% Ch	-7.6%	-2.8%	-5.4%	-1.6%	2.2%	0.0%	-0.5%	-0.9%	2.2%	-1.7%	1.6%	1.9%
National (Thousands)	21,199	21,055	20,955	20,842	20,741	20,726	20,667	20,624	20,592	20,561	20,529	20,519
% Ch	-0.8%	-2.7%	-1.9%	-2.2%	-1.9%	-0.3%	-1.1%	-0.8%	-0.6%	-0.6%	-0.6%	-0.2%
<b>RETAIL TRADE</b>												
Idaho	73,673	73,024	72,022	71,738	72,510	72,508	72,366	72,153	72,876	72,432	72,744	73,110
% Ch	-9.4%	-3.5%	-5.4%	-1.6%	4.4%	0.0%	-0.8%	-1.2%	4.1%	-2.4%	1.7%	2.0%
<b>WHOLESALE TRADE</b>												
Idaho	25,716	25,663	25,298	25,178	24,936	24,936	24,954	24,952	24,751	24,774	24,851	24,941
% Ch	-2.1%	-0.8%	-5.6%	-1.9%	-3.8%	0.0%	0.3%	0.0%	-3.2%	0.4%	1.3%	1.4%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

**MANUFACTURING (continued)**

	2004				2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>NONDURABLE MANUFACTURING</b>												
Idaho	23,581	23,787	24,042	24,042	24,157	24,381	24,519	24,398	24,563	24,764	25,030	24,925
% Ch	1.9%	3.5%	4.4%	0.0%	1.9%	3.8%	2.3%	-2.0%	2.7%	3.3%	4.4%	-1.7%
National (Thousands)	5,471	5,430	5,398	5,387	5,392	5,395	5,401	5,402	5,411	5,423	5,429	5,434
% Ch	-4.0%	-2.9%	-2.3%	-0.8%	0.3%	0.2%	0.4%	0.1%	0.6%	0.9%	0.4%	0.4%
<b>FOOD PROCESSING</b>												
Idaho	15,507	15,704	15,934	15,904	15,980	16,146	16,218	16,035	16,141	16,288	16,501	16,343
% Ch	3.0%	5.2%	6.0%	-0.7%	1.9%	4.2%	1.8%	-4.4%	2.7%	3.7%	5.3%	-3.8%
National (Thousands)	1,502	1,493	1,486	1,480	1,480	1,480	1,480	1,482	1,487	1,493	1,497	1,502
% Ch	-2.1%	-2.4%	-1.9%	-1.5%	-0.1%	0.0%	0.2%	0.4%	1.3%	1.6%	1.2%	1.1%
<b>PRINTING</b>												
Idaho	1,954	1,934	1,914	1,896	1,891	1,904	1,919	1,934	1,949	1,962	1,978	1,996
% Ch	-3.3%	-4.1%	-4.0%	-3.7%	-1.2%	2.9%	3.3%	3.2%	3.0%	2.7%	3.4%	3.7%
National (Thousands)	679	671	665	666	669	671	674	676	679	683	686	688
% Ch	-5.3%	-4.6%	-3.2%	0.4%	1.7%	1.4%	1.9%	1.2%	1.8%	2.1%	1.6%	1.4%
<b>CHEMICALS</b>												
Idaho	1,785	1,780	1,784	1,789	1,793	1,798	1,803	1,809	1,814	1,820	1,825	1,830
% Ch	-3.7%	-1.2%	1.0%	1.0%	1.0%	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
National (Thousands)	906	905	903	905	909	913	917	920	923	927	929	931
% Ch	-2.1%	-0.4%	-1.0%	1.2%	1.4%	1.8%	1.9%	1.4%	1.3%	1.6%	0.8%	0.9%
<b>OTHER NONDURABLES</b>												
Idaho	4,335	4,369	4,410	4,452	4,493	4,533	4,578	4,620	4,659	4,695	4,726	4,756
% Ch	2.5%	3.2%	3.8%	3.9%	3.7%	3.6%	4.0%	3.7%	3.4%	3.0%	2.7%	2.6%
National (Thousands)	2,385	2,362	2,344	2,336	2,334	2,331	2,329	2,324	2,322	2,321	2,318	2,314
% Ch	-5.5%	-3.8%	-2.9%	-1.5%	-0.2%	-0.5%	-0.4%	-0.9%	-0.4%	-0.1%	-0.6%	-0.7%
<b>MINING</b>												
Idaho	1,713	1,733	1,695	1,681	1,650	1,626	1,592	1,535	1,516	1,507	1,504	1,522
% Ch	7.2%	4.7%	-8.5%	-3.1%	-7.2%	-5.9%	-8.0%	-13.5%	-4.9%	-2.3%	-0.8%	4.9%
National (Thousands)	500	501	495	491	484	477	466	456	448	442	437	433
% Ch	-0.9%	0.4%	-4.5%	-3.5%	-5.1%	-5.9%	-8.5%	-8.4%	-6.9%	-5.8%	-4.3%	-3.2%
<b>CONSTRUCTION</b>												
Idaho	35,856	35,565	35,275	35,020	34,782	34,557	34,334	34,109	33,887	33,667	33,449	33,228
% Ch	-3.0%	-3.2%	-3.2%	-2.9%	-2.7%	-2.6%	-2.6%	-2.6%	-2.6%	-2.6%	-2.6%	-2.6%
National (Thousands)	6,872	6,931	7,034	7,094	7,139	7,167	7,212	7,264	7,333	7,396	7,481	7,551
% Ch	3.4%	3.5%	6.1%	3.5%	2.5%	1.6%	2.5%	2.9%	3.8%	3.5%	4.7%	3.8%
<b>NON-GOODS PRODUCING</b>												
Idaho	475,268	477,780	480,479	483,328	486,266	488,951	491,627	494,003	496,678	499,384	502,369	505,228
% Ch	2.1%	2.1%	2.3%	2.4%	2.5%	2.2%	2.2%	1.9%	2.2%	2.2%	2.4%	2.3%
National (Thousands)	109,160	109,887	110,618	111,157	111,682	112,298	112,827	113,345	113,825	114,308	114,807	115,299
% Ch	3.3%	2.7%	2.7%	2.0%	1.9%	2.2%	1.9%	1.8%	1.7%	1.7%	1.8%	1.7%
<b>TRADE</b>												
Idaho	98,689	99,389	100,154	100,969	101,748	102,516	103,207	103,799	104,405	105,037	105,733	106,497
% Ch	2.6%	2.9%	3.1%	3.3%	3.1%	3.1%	2.7%	2.3%	2.4%	2.4%	2.7%	2.9%
National (Thousands)	20,620	20,682	20,815	20,845	20,838	20,882	20,915	20,979	21,060	21,127	21,174	21,227
% Ch	2.0%	1.2%	2.6%	0.6%	-0.1%	0.8%	0.6%	1.2%	1.6%	1.3%	0.9%	1.0%
<b>RETAIL TRADE</b>												
Idaho	73,607	74,152	74,744	75,376	75,980	76,574	77,109	77,571	78,043	78,535	79,078	79,674
% Ch	2.7%	3.0%	3.2%	3.4%	3.2%	3.2%	2.8%	2.4%	2.5%	2.5%	2.8%	3.1%
<b>WHOLESALE TRADE</b>												
Idaho	25,082	25,237	25,409	25,593	25,769	25,942	26,098	26,228	26,362	26,502	26,655	26,823
% Ch	2.3%	2.5%	2.7%	2.9%	2.8%	2.7%	2.4%	2.0%	2.1%	2.1%	2.3%	2.5%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>SERVICES</b>												
Idaho	247,914	249,506	250,538	250,344	249,947	252,889	254,515	257,165	258,085	259,704	261,204	262,468
% Ch	10.1%	2.6%	1.7%	-0.3%	-0.6%	4.8%	2.6%	4.2%	1.4%	2.5%	2.3%	1.9%
National (Thousands)	65,937	65,957	65,878	65,526	65,485	65,519	65,550	65,778	65,850	65,840	65,951	66,319
% Ch	1.6%	0.1%	-0.5%	-2.1%	-0.3%	0.2%	0.2%	1.4%	0.4%	-0.1%	0.7%	2.2%
<b>INFORMATION</b>												
Idaho	9,762	9,588	9,577	9,458	9,291	9,201	8,952	9,184	9,204	9,126	9,117	9,143
% Ch	-6.7%	-7.0%	-0.5%	-4.8%	-6.9%	-3.8%	-10.4%	10.8%	0.9%	-3.3%	-0.4%	1.1%
National (Thousands)	3,713	3,666	3,599	3,539	3,472	3,434	3,398	3,376	3,314	3,295	3,270	3,280
% Ch	2.6%	-5.0%	-7.1%	-6.6%	-7.3%	-4.3%	-4.1%	-2.6%	-7.1%	-2.3%	-3.0%	1.3%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	24,671	24,996	25,174	25,201	25,591	25,662	25,907	26,128	26,518	26,668	26,853	27,021
% Ch	-5.8%	5.4%	2.9%	0.4%	6.3%	1.1%	3.9%	3.5%	6.1%	2.3%	2.8%	2.5%
National (Thousands)	7,773	7,809	7,817	7,834	7,828	7,828	7,837	7,880	7,916	7,968	7,976	7,994
% Ch	2.5%	1.9%	0.4%	0.8%	-0.3%	0.0%	0.5%	2.2%	1.8%	2.7%	0.4%	0.9%
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	19,217	19,262	19,165	18,970	18,659	18,663	18,672	18,694	19,054	19,232	19,183	19,078
% Ch	-3.4%	0.9%	-2.0%	-4.0%	-6.4%	0.1%	0.2%	0.5%	7.9%	3.8%	-1.0%	-2.2%
National (Thousands)	5,048	5,018	4,968	4,857	4,825	4,816	4,799	4,783	4,761	4,719	4,693	4,731
% Ch	0.2%	-2.4%	-3.9%	-8.6%	-2.6%	-0.8%	-1.4%	-1.3%	-1.9%	-3.5%	-2.2%	3.3%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	67,114	67,643	68,277	67,583	67,196	68,928	69,548	70,382	69,928	70,476	70,812	71,084
% Ch	32.3%	3.2%	3.8%	-4.0%	-2.3%	10.7%	3.7%	4.9%	-2.6%	3.2%	1.9%	1.5%
National (Thousands)	16,796	16,586	16,401	16,138	16,013	16,028	15,996	16,007	16,013	16,000	16,146	16,340
% Ch	-1.1%	-4.9%	-4.4%	-6.3%	-3.1%	0.4%	-0.8%	0.3%	0.1%	-0.3%	3.7%	4.9%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	55,586	56,542	57,472	58,240	58,873	59,542	60,116	60,730	61,287	61,604	62,140	62,517
% Ch	8.8%	7.1%	6.7%	5.5%	4.4%	4.6%	3.9%	4.2%	3.7%	2.1%	3.5%	2.4%
National (Thousands)	15,416	15,572	15,713	15,875	16,014	16,138	16,236	16,348	16,429	16,499	16,499	16,583
% Ch	4.0%	4.1%	3.7%	4.2%	3.5%	3.1%	2.5%	2.8%	2.0%	1.7%	0.0%	2.1%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	53,305	53,156	52,818	52,942	52,642	53,115	53,358	53,998	54,211	54,579	55,017	55,454
% Ch	4.0%	-1.1%	-2.5%	0.9%	-2.2%	3.6%	1.8%	4.9%	1.6%	2.7%	3.2%	3.2%
National (Thousands)	11,991	12,068	12,098	11,970	11,979	11,918	11,944	12,040	12,089	12,039	12,055	12,076
% Ch	2.3%	2.6%	1.0%	-4.2%	0.3%	-2.0%	0.9%	3.2%	1.6%	-1.6%	0.6%	0.7%
<b>OTHER SERVICES</b>												
Idaho	18,258	18,320	18,055	17,950	17,695	17,779	17,963	18,049	17,884	18,019	18,081	18,170
% Ch	9.5%	1.3%	-5.7%	-2.3%	-5.6%	1.9%	4.2%	1.9%	-3.6%	3.1%	1.4%	2.0%
National (Thousands)	5,200	5,238	5,281	5,313	5,353	5,358	5,339	5,343	5,329	5,322	5,313	5,315
% Ch	0.7%	3.0%	3.3%	2.5%	3.1%	0.3%	-1.4%	0.4%	-1.1%	-0.5%	-0.7%	0.1%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	95,732	96,323	97,231	98,152	98,570	98,728	97,889	98,748	98,950	98,964	98,905	99,045
% Ch	2.4%	2.5%	3.8%	3.8%	1.7%	0.6%	-3.4%	3.6%	0.8%	0.1%	-0.2%	0.6%
National (Thousands)	18,146	18,284	18,416	18,572	18,662	18,714	18,718	18,766	18,782	18,737	18,718	18,716
% Ch	2.5%	3.1%	2.9%	3.4%	1.9%	1.1%	0.1%	1.0%	0.3%	-0.9%	-0.4%	0.0%
<b>EDUCATION</b>												
Idaho	48,432	48,567	49,295	49,787	49,702	50,107	49,164	49,633	49,892	50,160	50,085	50,207
% Ch	3.2%	1.1%	6.1%	4.0%	-0.7%	3.3%	-7.3%	3.9%	2.1%	2.2%	-0.6%	1.0%
<b>NON-EDUCATION</b>												
Idaho	47,301	47,756	47,936	48,365	48,868	48,620	48,725	49,115	49,058	48,804	48,820	48,839
% Ch	1.5%	3.9%	1.5%	3.6%	4.2%	-2.0%	0.9%	3.2%	-0.5%	-2.1%	0.1%	0.2%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,140	13,208	13,379	13,389	13,253	13,282	13,777	13,884	13,694	13,513	13,366	13,270
% Ch	0.0%	2.1%	5.3%	0.3%	-4.0%	0.9%	15.8%	3.2%	-5.4%	-5.2%	-4.3%	-2.8%
National (Thousands)	2,754	2,767	2,780	2,754	2,756	2,771	2,767	2,780	2,789	2,761	2,747	2,731
% Ch	2.4%	1.9%	1.9%	-3.6%	0.2%	2.1%	-0.6%	2.0%	1.2%	-4.0%	-1.9%	-2.3%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**EMPLOYMENT**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>SERVICES</b>												
Idaho	264,144	265,822	267,736	269,708	271,674	273,494	275,307	276,966	278,996	281,009	283,211	285,310
% Ch	2.6%	2.6%	2.9%	3.0%	2.9%	2.7%	2.7%	2.4%	3.0%	2.9%	3.2%	3.0%
National (Thousands)	67,089	67,721	68,313	68,824	69,343	69,799	70,213	70,580	70,966	71,350	71,762	72,164
% Ch	4.7%	3.8%	3.5%	3.0%	3.1%	2.7%	2.4%	2.1%	2.2%	2.2%	2.3%	2.3%
<b>INFORMATION</b>												
Idaho	9,166	9,209	9,288	9,380	9,491	9,600	9,702	9,797	9,882	9,959	10,027	10,085
% Ch	1.0%	1.9%	3.5%	4.0%	4.8%	4.7%	4.3%	4.0%	3.6%	3.1%	2.8%	2.3%
National (Thousands)	3,297	3,323	3,349	3,355	3,365	3,389	3,406	3,412	3,415	3,422	3,430	3,437
% Ch	2.0%	3.2%	3.3%	0.7%	1.1%	3.0%	2.0%	0.7%	0.4%	0.7%	0.9%	0.9%
<b>FINANCIAL ACTIVITIES</b>												
Idaho	27,179	27,334	27,486	27,635	27,779	27,918	28,051	28,180	28,306	28,428	28,546	28,660
% Ch	2.4%	2.3%	2.2%	2.2%	2.1%	2.0%	1.9%	1.9%	1.8%	1.7%	1.7%	1.6%
National (Thousands)	8,017	8,052	8,119	8,159	8,186	8,206	8,220	8,235	8,243	8,247	8,274	8,302
% Ch	1.2%	1.7%	3.4%	2.0%	1.4%	1.0%	0.7%	0.7%	0.4%	0.2%	1.3%	1.4%
<b>TRANS., WAREHOUSING, UTILITIES</b>												
Idaho	19,007	19,026	19,030	19,035	19,135	19,178	19,262	19,296	19,276	19,243	19,227	19,226
% Ch	-1.5%	0.4%	0.1%	0.1%	2.1%	0.9%	1.8%	0.7%	-0.4%	-0.7%	-0.3%	0.0%
National (Thousands)	4,800	4,857	4,913	4,960	5,003	5,041	5,079	5,113	5,153	5,195	5,235	5,275
% Ch	6.0%	4.9%	4.6%	3.9%	3.5%	3.1%	3.0%	2.7%	3.2%	3.3%	3.1%	3.1%
<b>PROFESSIONAL &amp; BUSINESS</b>												
Idaho	71,561	71,989	72,465	72,973	73,457	73,936	74,437	74,920	75,625	76,327	77,136	77,892
% Ch	2.7%	2.4%	2.7%	2.8%	2.7%	2.6%	2.7%	2.6%	3.8%	3.8%	4.3%	4.0%
National (Thousands)	16,645	16,888	17,155	17,419	17,658	17,864	18,022	18,167	18,352	18,530	18,723	18,931
% Ch	7.7%	6.0%	6.5%	6.3%	5.6%	4.8%	3.6%	3.3%	4.1%	3.9%	4.2%	4.5%
<b>EDUCATION &amp; HEALTH</b>												
Idaho	63,049	63,521	64,166	64,805	65,367	65,879	66,355	66,776	67,383	67,974	68,637	69,246
% Ch	3.4%	3.0%	4.1%	4.0%	3.5%	3.2%	2.9%	2.6%	3.7%	3.6%	4.0%	3.6%
National (Thousands)	16,759	16,850	16,938	17,002	17,072	17,122	17,199	17,278	17,380	17,475	17,589	17,672
% Ch	4.3%	2.2%	2.1%	1.5%	1.7%	1.2%	1.8%	1.9%	2.4%	2.2%	2.6%	1.9%
<b>LEISURE &amp; HOSPITALITY</b>												
Idaho	55,892	56,329	56,767	57,204	57,642	58,079	58,516	58,954	59,391	59,829	60,266	60,704
% Ch	3.2%	3.2%	3.1%	3.1%	3.1%	3.1%	3.0%	3.0%	3.0%	3.0%	3.0%	2.9%
National (Thousands)	12,195	12,293	12,322	12,354	12,436	12,529	12,618	12,685	12,718	12,760	12,783	12,811
% Ch	4.0%	3.3%	0.9%	1.1%	2.7%	3.0%	2.9%	2.2%	1.0%	1.3%	0.7%	0.9%
<b>OTHER SERVICES</b>												
Idaho	18,291	18,414	18,534	18,676	18,804	18,904	18,983	19,043	19,132	19,250	19,372	19,498
% Ch	2.7%	2.7%	2.6%	3.1%	2.8%	2.2%	1.7%	1.3%	1.9%	2.5%	2.6%	2.6%
National (Thousands)	5,376	5,458	5,518	5,574	5,623	5,647	5,670	5,689	5,705	5,721	5,728	5,735
% Ch	4.7%	6.2%	4.5%	4.2%	3.5%	1.7%	1.6%	1.4%	1.1%	1.2%	0.5%	0.5%
<b>STATE &amp; LOCAL GOVERNMENT</b>												
Idaho	99,158	99,288	99,321	99,391	99,603	99,758	99,953	100,082	100,123	100,189	100,276	100,279
% Ch	0.5%	0.5%	0.1%	0.3%	0.9%	0.6%	0.8%	0.5%	0.2%	0.3%	0.3%	0.0%
National (Thousands)	18,715	18,745	18,751	18,751	18,764	18,890	18,974	19,060	19,072	19,104	19,142	19,178
% Ch	0.0%	0.6%	0.1%	0.0%	0.3%	2.7%	1.8%	1.8%	0.2%	0.7%	0.8%	0.7%
<b>EDUCATION</b>												
Idaho	50,271	50,327	50,381	50,489	50,683	50,790	50,885	50,928	50,923	50,965	51,048	51,059
% Ch	0.5%	0.4%	0.4%	0.9%	1.5%	0.9%	0.7%	0.3%	0.0%	0.3%	0.7%	0.1%
<b>NON-EDUCATION</b>												
Idaho	48,887	48,960	48,940	48,901	48,921	48,967	49,068	49,154	49,200	49,224	49,228	49,221
% Ch	0.4%	0.6%	-0.2%	-0.3%	0.2%	0.4%	0.8%	0.7%	0.4%	0.2%	0.0%	-0.1%
<b>FEDERAL GOVERNMENT</b>												
Idaho	13,277	13,281	13,268	13,260	13,241	13,183	13,161	13,157	13,154	13,150	13,149	13,141
% Ch	0.2%	0.1%	-0.4%	-0.3%	-0.6%	-1.7%	-0.7%	-0.1%	-0.1%	-0.1%	0.0%	-0.2%
National (Thousands)	2,735	2,739	2,740	2,738	2,737	2,727	2,725	2,726	2,727	2,728	2,729	2,730
% Ch	0.6%	0.6%	0.2%	-0.3%	-0.3%	-1.4%	-0.4%	0.2%	0.2%	0.2%	0.2%	0.2%

**National Variables Forecast by Global Insight  
Forecast Begins the SECOND Quarter of 2003**

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**MISCELLANEOUS**

	Q1	2001 Q2	Q3	Q4	Q1	2002 Q2	Q3	Q4	Q1	2003 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	1.087	1.093	1.099	1.098	1.101	1.105	1.108	1.112	1.119	1.121	1.126	1.128
% Ch	3.7%	2.5%	2.2%	-0.5%	1.3%	1.2%	1.0%	1.8%	2.4%	0.8%	1.7%	0.7%
<b>Consumption Expenditures</b>	1.092	1.096	1.096	1.098	1.101	1.109	1.114	1.119	1.126	1.128	1.135	1.136
% Ch	3.3%	1.8%	-0.1%	0.8%	1.1%	2.7%	1.7%	1.8%	2.7%	0.7%	2.3%	0.6%
<b>Durable Goods</b>	0.907	0.899	0.893	0.889	0.880	0.874	0.869	0.865	0.856	0.848	0.841	0.836
% Ch	-1.2%	-3.4%	-2.7%	-1.5%	-4.2%	-2.9%	-1.9%	-2.2%	-3.7%	-3.8%	-3.1%	-2.6%
<b>Nondurable Goods</b>	1.090	1.098	1.094	1.085	1.085	1.098	1.099	1.103	1.115	1.110	1.117	1.113
% Ch	1.8%	2.9%	-1.4%	-3.5%	0.2%	4.6%	0.6%	1.2%	4.6%	-1.9%	2.5%	-1.4%
<b>Services</b>	1.134	1.141	1.144	1.154	1.161	1.170	1.179	1.187	1.196	1.205	1.215	1.222
% Ch	5.1%	2.3%	1.1%	3.5%	2.7%	3.0%	3.0%	3.0%	3.1%	2.9%	3.3%	2.2%
<b>Consumer Price Index (1982-84=100)</b>	1.759	1.773	1.777	1.774	1.780	1.795	1.805	1.814	1.831	1.834	1.847	1.849
% Ch	3.8%	3.2%	1.0%	-0.6%	1.3%	3.5%	2.2%	2.0%	3.9%	0.6%	2.8%	0.5%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	5.6%	4.3%	3.5%	2.1%	1.7%	1.8%	1.7%	1.4%	1.3%	1.2%	1.0%	1.0%
<b>NY Fed Discount</b>	5.1%	3.8%	3.1%	1.6%	1.3%	1.3%	1.3%	0.9%	2.1%	2.2%	2.0%	2.0%
<b>Prime</b>	8.6%	7.3%	6.6%	5.2%	4.8%	4.8%	4.8%	4.5%	4.3%	4.2%	4.0%	4.0%
<b>Existing Home Mortgage</b>	7.2%	7.1%	7.1%	6.7%	6.9%	6.8%	6.4%	6.1%	5.9%	5.6%	6.0%	6.4%
<b>U.S. Govt. 3-Month Bills</b>	4.9%	3.7%	3.2%	1.9%	1.7%	1.7%	1.6%	1.4%	1.2%	1.0%	0.9%	1.0%
<b>U.S. Govt. 6-Month Bills</b>	4.7%	3.7%	3.2%	1.9%	1.8%	1.9%	1.6%	1.4%	1.2%	1.1%	1.0%	1.1%
<b>U.S. Govt. 5-Year Notes</b>	4.8%	4.8%	4.5%	4.1%	4.5%	4.4%	3.3%	3.0%	2.9%	2.6%	3.3%	3.6%
<b>U.S. Govt. 10-Year Notes</b>	5.1%	5.3%	5.0%	4.8%	5.1%	5.1%	4.3%	4.0%	3.9%	3.6%	4.3%	4.7%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	98.3	99.8	101.3	99.3	100.7	101.3	101.7	98.1	96.6	96.0	95.8	95.0
% Ch	-15.2%	6.2%	6.1%	-7.7%	6.0%	2.3%	1.6%	-13.4%	-6.2%	-2.6%	-0.5%	-3.4%
<b>Computers &amp; Electronic Products</b>	234.9	226.0	218.3	215.7	216.2	219.6	222.6	224.4	227.8	231.7	238.1	245.6
% Ch	-6.0%	-14.4%	-12.9%	-4.6%	0.9%	6.4%	5.5%	3.4%	6.2%	7.0%	11.5%	13.2%
<b>Food</b>	105.1	105.3	104.8	104.9	105.7	105.7	105.5	105.1	104.6	104.6	103.8	104.5
% Ch	-2.2%	0.8%	-1.8%	0.2%	3.0%	0.1%	-0.6%	-1.7%	-1.7%	-0.2%	-3.0%	2.9%
<b>Agricultural Chemicals</b>	83.2	78.7	78.2	81.5	77.4	77.8	78.1	77.0	74.0	71.4	71.8	72.1
% Ch	-16.2%	-19.6%	-2.5%	17.5%	-18.6%	2.0%	1.6%	-5.5%	-14.7%	-13.1%	2.0%	1.9%
<b>Metal Ore Mining</b>	84.3	83.0	80.8	79.8	71.8	73.7	74.1	75.4	71.5	67.6	68.2	69.2
% Ch	-13.2%	-6.2%	-9.9%	-5.2%	-34.5%	11.0%	2.6%	7.0%	-19.2%	-19.8%	3.4%	5.6%

**IDAHO ECONOMIC FORECAST  
QUARTERLY DETAIL  
OCTOBER 2003**

**MISCELLANEOUS**

	Q1	2004 Q2	Q3	Q4	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4
<b>SELECTED CHAIN-WEIGHTED DEFL.</b>												
<b>Gross Domestic Product</b>	1.131	1.135	1.140	1.144	1.149	1.154	1.159	1.163	1.168	1.173	1.178	1.183
% Ch	1.2%	1.4%	1.6%	1.5%	1.8%	1.7%	1.6%	1.4%	1.8%	1.7%	1.8%	1.6%
<b>Consumption Expenditures</b>	1.138	1.142	1.148	1.153	1.158	1.163	1.169	1.173	1.178	1.184	1.190	1.195
% Ch	0.8%	1.4%	2.0%	1.9%	1.7%	1.8%	1.8%	1.6%	1.7%	1.9%	2.0%	1.8%
<b>Durable Goods</b>	0.831	0.827	0.824	0.822	0.820	0.819	0.818	0.816	0.815	0.814	0.813	0.812
% Ch	-2.4%	-1.9%	-1.5%	-1.0%	-0.7%	-0.6%	-0.5%	-0.6%	-0.6%	-0.6%	-0.6%	-0.5%
<b>Nondurable Goods</b>	1.109	1.110	1.117	1.123	1.126	1.130	1.134	1.136	1.140	1.144	1.149	1.153
% Ch	-1.5%	0.7%	2.6%	1.9%	1.2%	1.5%	1.4%	0.9%	1.2%	1.6%	1.8%	1.2%
<b>Services</b>	1.229	1.237	1.244	1.252	1.259	1.267	1.274	1.282	1.290	1.297	1.306	1.314
% Ch	2.6%	2.4%	2.4%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.5%	2.5%	2.5%
<b>Consumer Price Index (1982-84=100)</b>	1.851	1.857	1.866	1.875	1.883	1.891	1.900	1.907	1.915	1.925	1.935	1.944
% Ch	0.6%	1.2%	2.0%	1.9%	1.7%	1.8%	1.8%	1.6%	1.7%	2.0%	2.1%	1.8%
<b>SELECTED INTEREST RATES</b>												
<b>Federal Funds</b>	1.0%	1.0%	1.0%	1.3%	1.4%	1.8%	2.0%	2.3%	2.3%	2.3%	2.3%	2.3%
<b>NY Fed Discount</b>	2.0%	2.0%	2.0%	2.3%	2.4%	2.8%	3.0%	3.3%	3.3%	3.3%	3.3%	3.3%
<b>Prime</b>	4.0%	4.0%	4.0%	4.3%	4.4%	4.8%	5.0%	5.3%	5.3%	5.3%	5.3%	5.3%
<b>Existing Home Mortgage</b>	6.5%	6.5%	6.6%	6.6%	6.7%	6.8%	6.9%	7.0%	7.0%	6.9%	6.8%	6.8%
<b>U.S. Govt. 3-Month Bills</b>	1.0%	1.0%	1.0%	1.2%	1.3%	1.6%	1.8%	2.1%	2.1%	2.1%	2.1%	2.1%
<b>U.S. Govt. 6-Month Bills</b>	1.2%	1.2%	1.2%	1.4%	1.5%	1.8%	2.0%	2.3%	2.3%	2.3%	2.3%	2.3%
<b>U.S. Govt. 5-Year Notes</b>	3.7%	3.8%	3.8%	4.1%	4.2%	4.4%	4.6%	4.7%	4.7%	4.6%	4.6%	4.6%
<b>U.S. Govt. 10-Year Notes</b>	4.8%	4.9%	4.9%	5.0%	5.1%	5.3%	5.4%	5.5%	5.4%	5.3%	5.3%	5.3%
<b>SELECTED US PRODUCTION INDICES</b>												
<b>Wood Products</b>	93.7	92.6	91.8	91.6	91.5	91.6	91.7	91.9	92.1	92.3	92.6	92.9
% Ch	-5.4%	-4.9%	-3.3%	-0.8%	-0.5%	0.6%	0.6%	0.7%	0.8%	1.0%	1.0%	1.6%
<b>Computers &amp; Electronic Products</b>	256.4	270.3	286.3	300.5	314.5	328.7	342.8	355.1	366.3	377.6	389.2	400.7
% Ch	18.8%	23.5%	25.9%	21.3%	20.0%	19.3%	18.2%	15.2%	13.2%	13.0%	12.8%	12.4%
<b>Food</b>	105.4	106.3	107.3	108.1	108.8	109.5	110.2	110.8	111.4	111.9	112.5	113.1
% Ch	3.4%	3.4%	3.7%	2.9%	2.8%	2.6%	2.5%	2.2%	2.1%	2.0%	2.0%	2.1%
<b>Agricultural Chemicals</b>	72.4	72.8	73.1	73.5	73.9	74.3	74.6	75.0	75.4	75.8	76.2	76.6
% Ch	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	2.0%
<b>Metal Ore Mining</b>	71.3	72.2	74.3	75.9	77.4	79.1	80.9	81.9	82.8	83.8	84.8	85.8
% Ch	13.0%	5.2%	11.7%	9.1%	8.5%	9.0%	9.1%	5.0%	4.7%	4.8%	4.8%	4.7%

## APPENDIX

Global Insight Macro Model .....	Page 58
Idaho Economic Model .....	Page 60
Equations .....	Page 62
Endogenous Variables .....	Page 66
Exogenous Variables .....	Page 68



## THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

## IDAHO ECONOMIC MODEL

$$EEA\_ID = EEA\_ID\_GOODS + EEA\_ID\_NONGOODS$$

$$EEA\_ID\_2100 = 4560.871055 + 47.9035436*ID0IP2122\_2123 - 4440.679026*(JRWSSNF/WPI10) - 30.78816369*(IPSG21/EMI) + 22.84546404*(@TREND)$$

$$EEA\_ID\_2300 = -10442.59489 + 319.5480268*(@TREND) + 164.6565624*ID0HSPRS1\_A + 141.1341963*ID0HSPRS1\_A(-1) + 117.6118303*ID0HSPRS1\_A(-2) + 94.0894642*ID0HSPRS1\_A(-3) + 70.56709815*ID0HSPRS1\_A(-4) + 47.0447321*ID0HSPRS1\_A(-5) + 23.52236605*ID0HSPRS1\_A(-6)$$

$$EEA\_ID\_3110 = 6481.491377 - 2559.881703*(JRWSSNF/WPI01) + 127.8738571*(@MOVAV(IPSG311,2))$$

$$EEA\_ID\_3230 = -1100.982584 + 49.0503171*(@MOVAV(IPSG323,8)) - 12.67142715*(@TREND)$$

$$EEA\_ID\_3250 = 3066.497075 + 11.97041749*(@MOVAV(IPSG3253(-1),4)) - 1899.526286*DUM951ON$$

$$EEA\_ID\_3320 = -1226.745711 + 44.69886498*(@MOVAV(IPSG332,2)) - 1524.00886*(JRWSSNF/WPI10) + 16.43808769*(@TREND)$$

$$EEA\_ID\_3330 = 424.931962 + 24.26378782*IPSG333 - 1813.164635*(JRWSSNF/WPI11) + 17.54055015*(@TREND)$$

$$EEA\_ID\_3340 = 29358.24305 + 35.62873208*IPSG3341 - 17144.90314*REALEXCH_DEV$$

$$EEA\_ID\_4200 = 7376.368248 - 1590.825749*REALEXCH_IND + 0.2719111173*EEA\_ID\_44\_45$$

$$EEA\_ID\_44\_45 = 18357.63225 + 1.914498182*(@MOVAV(YPADJ\_ID,4)/@MOVAV(PCWC,4))$$

$$EEA\_ID\_48\_49\_22 = -6874.067373 - 4977.431004*(@MOVAV(PCWCNGAS,8)) + 23828.08189*ID0NPT$$

$$EEA\_ID\_5100 = -8609.369757 + 29.46473008*(@MOVAV(IPSN51112T9,6)) + 52.39417797*(@MOVAV(IPSG51111,4)) + 7005.186797*ID0NPT$$

$$EEA\_ID\_52\_53 = -14521.67372 - 6351.920526*DUM981ON + 2099.281215*(DUM9801004*(@MOVAV(JSAP500NS/JSAP500NS(-2),2)) + 105.7459032*ID0KHU$$

$$EEA\_ID\_54\_55\_56 = -21711.57377 + 1.312329203*YPADJ\_ID + 180.7205421*(@MOVAV(RAD96C,8))$$

$$EEA\_ID\_61\_62 = -14186.21291 + 25381.29249*ID0NPT + 1.150801795*YPADJ\_ID$$

$$EEA\_ID\_71\_72 = -18799.86884 + 54784.57074*ID0NPT$$

EEA\_ID\_8100 = 668.8900441 + 0.5911901854\*(@MOVAV(YPADJ\_ID,2)/@MOVAV(PCWC,2)) +  
1262.304304\*DUM931964

EEA\_ID\_DMANU = EEA\_ID\_WOOD + EEA\_ID\_3320 + EEA\_ID\_3330 + EEA\_ID\_3340 + EEA\_ID\_MFDNEC

EEA\_ID\_GOODS = EEA\_ID\_MANU + EEA\_ID\_2300 + EEA\_ID\_2100

EEA\_ID\_GV = EEA\_ID\_GVSL + EEA\_ID\_GVF

EEA\_ID\_GVF = 623.2139938 + 1171243.031\*(EGF\*(ID0NPT/N)) - 5708.878415\*(EGF\*(GFO96C/GF96C)) +  
28.85276117\*(@TREND)

EEA\_ID\_GVSL = EEA\_ID\_GVSLAD + EEA\_ID\_GVSLED  
EEA\_ID\_GVSLAD = -1419.801028 + 107323.611\*(ID0NPT\*((N-N16A)/N)) +  
0.734809056\*(@MOVAV(ID0YPTXB(-4),4))

EEA\_ID\_GVSLED = 8491.226603 + 62332.36236\*(ID0NPT\*((N-N16A)/N)) +  
0.9255304579\*(@MOVAV(ID0YPTXB(-4),2))

EEA\_ID\_MANU = EEA\_ID\_DMANU + EEA\_ID\_NMANU

EEA\_ID\_MFDNEC = -4342.254359 + 120.7174277\*(@MOVAV(ID0IPMFDNEC,2))

EEA\_ID\_MFNNEC = 841.6467714 + 1.039995794\*(CNCS96C+CNOTH96C) +  
27.74961734\*(@MOVAV(IPSG322,2))

EEA\_ID\_NMANU = EEA\_ID\_3110 + EEA\_ID\_3230 + EEA\_ID\_3250 + EEA\_ID\_MFNNEC

EEA\_ID\_NONGOODS = EEA\_ID\_SV + EEA\_ID\_4200 + EEA\_ID\_44\_45 + EEA\_ID\_GV

EEA\_ID\_SV = EEA\_ID\_48\_49\_22 + EEA\_ID\_5100 + EEA\_ID\_52\_53 + EEA\_ID\_54\_55\_56 + EEA\_ID\_61\_62 +  
EEA\_ID\_71\_72 + EEA\_ID\_8100

EEA\_ID\_WOOD = 10648.08631 + 102.8881285\*(@MOVAV(IPSG321,2)) - 8746.459178\*(JRWSSNF/WPI08) -  
32.46989379\*(@TREND)

ID0AHEMF = 4.062984139 + 7.670259465\*(EEA\_ID\_DMANU(-1)/EEA\_ID\_MANU(-1)\*JRWSSNF) +  
7.055318279\*(EEA\_ID\_NMANU(-1)/EEA\_ID\_MANU(-1)\*JRWSSNF)

ID0CRCROP = -1228944.535 + 0.01122866597\*CRCROP + 1753507.779\*WPI01

ID0CRLVSTK = -796079.9183 + 0.03260376587\*CRCATCVS + 1088925.623\*WPI01

ID0EXFP = -75491.80919 + 1254823.168\*WPI01 + 18288.22571\*(@TREND)

$$ID0HSPR = ID0HSPRS1\_A + ID0HSPRS2A\_A$$

$$ID0HSPRS1\_A = -12.48333092 - 0.342588535*(RMMTGENS-@MOVAV(RMMTGENS(-1),4)) + 94.56019413*(@MOVAV(ID0NPT(-1),4)-@MOVAV(ID0NPT(-5),4)) + 0.04787534868*ID0KHU(-1)$$

$$ID0HSPRS2A\_A = 4.104497988 + 38.86252553*(@MOVAV(ID0NPT(-1),4)-@MOVAV(ID0NPT(-5),4)) - 0.2160851192*(@MOVAV(RMMTGENS,4)) - 0.01583573257*(@TREND)$$

$$ID0KHU = ID0KHU1 + ID0KHU2A$$

$$ID0KHU1 = ((0.997)^{0.25}) * ID0KHU1(-1) + ID0HSPRS1\_A / 4$$

$$ID0KHU2A = ((0.997)^{0.25}) * ID0KHU2A(-1) + ID0HSPRS2A\_A / 4$$

$$ID0NB = -7.621925707 + 35.70673196*ID0NPT - 0.150250367*(@TREND)$$

$$ID0ND = 1.010054004 + 5.642204837*ID0NPT + 0.009457219764*(@TREND)$$

$$ID0NMG = 4 * D(ID0NPT) - (ID0NB - ID0ND) / 1000$$

$$ID0NPT = 0.4326491533 + 0.006921573771*(@TREND)$$

$$ID0WBB\$ = ID0WBBMF\$ + ID0WBBOTH\$ + ID0WBBCC\$ + ID0WBBF\$ + ID0WBBMIL\$$$

$$ID0WBBCC\$ = (ID0WRWCC\$ * EEA\_ID\_2300) / 1000000$$

$$ID0WBBF\$ = -403.9289886 + 528.6892499*WPI02$$

$$ID0WBBMF\$ = (ID0WRWMF\$ * EEA\_ID\_MANU) / 1000000$$

$$ID0WBBMIL\$ = 8.332153635 + 287.7990938*((ID0NPT/N)*GFMLWSS\_FAC)$$

$$ID0WBBOTH\$ = ID0WRWOTH\$ * (EEA\_ID - EEA\_ID\_2300 - EEA\_ID\_MANU) / 1000000$$

$$ID0WRWCC\$ = 6510.609616 + 1706.353481*ID0AHEMF$$

$$ID0WRWMF\$ = -10587.12176 + 3710.54458*ID0AHEMF$$

$$ID0WRWOTH\$ = -1862.315653 + 1953.362836*ID0AHEMF$$

$$ID0YDIR\$ = 36.30379279 + 1.00319175*((YINTPER+DIV+YRENTADJ)*@MOVAV(ID0YP$(-1),4)/@MOVAV(YP(-1),4))$$

$$ID0YFC\$ = -56852.16248 + 0.9185828647*ID0YFC\$$(-1) + 62914.16864*WPI01$$

$$ID0YINV\_R\$ = -66327.79681 + 0.815922556*ID0YINV\_R\$$(-1) + 106746.0513*WPI01$$

$$ID0YP = ID0YP\$ / PCWC$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS\$$$

$$ID0YP\$PC = ID0YP\$ / ID0NPT$$

$$ID0YPNF = ID0YPNF\$ / PCWC$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$ / PCWC / ID0NPT$$

$$ID0YPPC = ID0YP / ID0NPT$$

$$ID0YPRF\$ = -226.7992645 + 0.2751969415*((ID0CRCROP+ID0CRLVSTK+ID0YTRF\$+ID0YINV\_R\$-ID0YFC\$-ID0EXFP)/1000) + 2.460392663*(@TREND) + 347.5593847*WPI01$$

$$ID0YPRNF\$ = -28.73952419 + 4.696841437*YENTNFADJ$$

$$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV\_R\$ / 1000)) / PCWC$$

$$ID0YRA\$ = -83.45329304 + 0.02917291574*ID0WBB\$$$

$$ID0YSIS\$ = 16.94575683 + 1.02892213*(TWPER*ID0WBB\$/WSD)$$

$$ID0YSUP\$ = -71.06130795 + 1.071472007*(YOL*(ID0WBB\$/WSD))$$

$$ID0YTR\$ = 52.03397132 + 808.8526978*((VGF\_PER+VGSL\_PER)*(ID0NPT/N))$$

$$ID0YTRF\$ = 27627.24559 + 0.0109491272*TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$) / EEA\_ID * 1000000$$

$$YPADJ\_ID = ID0YPNF\$ + @MOVAV(ID0YPRF\$ , 4) + @MOVAV(ID0WBBF\$ , 4)$$

## ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
EEA_ID_WRT	Employment in trade
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons

ID0NPT	Resident population
ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_RS	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1996 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 1996 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1996 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1996 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
IDWAGE	Average annual wage
YPADJ_ID	Adjusted total personal income



## EXOGENOUS VARIABLES

CNCS96C	Personal consumption expenditures, clothing and shoes, 1996 dollars, chain weighted
CNOTH96C	Personal consumption expenditures, other nondurable goods, 1996 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends
DUM931964	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or non-economic event such as strikes, plant opening, or closures, unusual weather conditions, etc.
DUM951ON	
DUM98011004	
DUM981ON	
TREND	
EEGFED	Employment in federal government
EEN21	Employment in mining
GFMLWSS_FAC	Federal government defense personnel outlays
GF96C	Federal government purchases, 1996 dollars, chain weighted
GFO96C	Federal government purchases, non-defense, 1996 dollars, chain weighted
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 1997=100.0
ID0IPMFDNEC	Industrial production index, other nondurable goods, 1997=100.0
IPSG21	Industrial production index, mining, 1997=100.0
IPSG311	Industrial production index, food, 1997=100.0
IPSG321	Industrial production index, wood products, 1997=100.0
IPSG322	Industrial production index, paper, 1997=100.0
IPSG323	Industrial production index, printing, 1997=100.0
IPSG3253	Industrial production index, agricultural chemicals, 1997=100.0
IPSG332	Industrial production index, fabricated metal products, 1997=100.0
IPSG333	Industrial production index, machinery, 1997=100.0
IPSG3341	Industrial production index, computer and peripheral equipment, 1997=100.0
IPSG51111	Industrial production index, newspaper publishing, 1997=100.0
IPSN51112T9	Industrial production index, other publishing, 1997=100.0
JRWSSNF	Index of compensation per hour, nonfarm business sector, 1992=1.0
JSAP500NS	Standard & Poor's 500 stock price index
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
PCWC	Implicit price deflator, personal consumption, 1996=1.0, chain weighted
PCWCNGAS	Implicit price deflator, personal consumption, gasoline and oil, 1996=1.0, chain weighted
RAD96C	Real research and development spending
REALEXCH_DEV	Real US trade-weighted exchange rate with developing countries
REALEXCH_IND	Real US trade-weighted exchange rate with industrial countries
RMMTGENS	Effective conventional mortgage rate, existing homes, combined lenders

TRF\$	Government payments to U.S. farms
TWPER	Personal contributions for social insurance, U.S.
VGf_PER	Federal transfer payments to persons, U.S.
VGSL_PER	State and local transfer payments to persons, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
WPI11	Producer price index, machinery and equipment, 1982=1.0
WSD	Wage and salary disbursements
YENTNFADJ	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YINTPER	Personal interest income
YOL	Other labor income, U.S.
YP	Personal income
YRENTADJ	Rental income of persons with capital consumption adjustment